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Inter-European Affairs

MTI reports that foreign ministers from the Visegrad Triangle (Czechoslovakia, Poland, Hungary) met with EC representatives in Prague "to draw the triangle countries closer to the EC." The EC members included Hans van den Broek from The Netherlands, Joao de Deus Pinheiro from Portugal, and Douglas Hurd from Britain. Turning their focus to the crisis in Bosnia-Hercegovina and "the role of the EC in the South Slav stabilization process," CSTK reports that the foreign ministers and EC members stated "the need for Yugoslav Army troops to end their intervention in the conflict." They reaffirmed that the "status of the newly proclaimed Federal Republic of Yugoslavia can only be determined if... the principles of the UN Charter, the Conference on Security and Cooperation in Europe (CSCE) and the EC guidelines of December 16, 1991" are respected and if "the other republics give their agreement."

Bosnia-Hercegovina

TANJUG reports that the Yugoslav People's Army (JNA) denied responsibility for the death of Major Bertrand Borrey, member of the European Community monitoring team from Belgium, who was killed on May 2 outside the Cula transformation station near Mostar. According to the Yugoslav Defense Ministry, Major Borrey was "hit by a fragmentation bullet, the kind of weapon not used" by the JNA. The Defense Ministry added that "the Yugoslav Army was not represented on a commission" that was set up to investigate the incident and "therefore proposes that a tri-partite commission be set up to include... experts in forensic medicine of a neutral side."

Croatia

Belgrade TV reports that the "Government of the Republic of Serbian Krajina" addressed a protest letter to UN Secretary General Butrus Ghali concerning the delayed deployment of UN protection forces. Stojan Spanovic, defense minister of the "Republic of Serbian Krajina," stated that "it is evident that the events in Bosnia were the basic reason for the delay and not technical reasons, as was originally stated." He added that "with these postponements, they are trying to impose a political solution before the zones are taken over."

Poland

GAZETA WYBORCZA reports that the commission investigating Defense Minister Jan Parys's April 6 speech completed its work one week ago. The contents of the final report will not be made public. GAZETA, however, was able to "familiarize" itself with the report which was discussed at a Sejm commission meeting. The commission concluded that Parys's speech, which included allegations of official misconduct, was in its entirety and particularly in certain passages, deemed too "far-reaching." The report also stated that no official had conducted talks that "would be incompatible with the raison d'etat and the interests of the Army."

European Foreign Ministers Consult in Prague

Talks Focus on Relations

LD0505083792 Budapest MTI in English 0739 GMT 5 May 92

[Text] Prague, May 5 (MTI)—Hungarian Foreign Minister Geza Jeszenszky arrived in Prague on Tuesday [5 May] morning to hold negotiations with his Czechoslovak and Polish counterparts, the foreign ministers of Portugal, Britain and The Netherlands, and Frans Andriessen, vice-president of the European Commission.

Jeszenszky is scheduled to have a separate consultation with British Foreign Secretary Douglas Hurd.

The talks are to focus on the ways of strengthening relations between the Visegrad Triangle and the European Communities.

The association agreements the three Central European countries concluded with the European Communities are to take effect on January 1, 1993, but the interim trade agreements signed with the European Economic Community and the European Coal and Steel Community have been in force since early March this year. In Prague, the parties are to discuss the tasks of implementation.

The foreign ministers are to exchange views on how the three Central European countries could be involved in the programmes aimed at assisting the Commonwealth of Independent States. (On this topic, a separate conference will be held in late May.)

On Tuesday evening, the three Central European foreign ministers are to hold another consultation. On Wednesday morning [6 May], they will join the Hungarian-Polish-Czechoslovak summit, involving Czechoslovak President Vaclav Havel, Polish President Lech Walesa, and Hungarian Prime Minister Jozsef Antall. After the talks, a joint statement is expected to be issued.

Ministers Meet EC Leaders

LD0505172192 Budapest MTI in English 1504 GMT 5 May 92

[Text] Prague, May 5 (MTI)—Talks between the foreign ministers from the Visegrad Triangle (Czechoslovakia, Poland, Hungary) and EC representatives from Britian, The Netherlands, and Portugal began today to draw the triangle countries closer to the EC.

It was said the EC could play a major part in creating European stability. Hungary asked about possible help from Britain towards integrating the Visegrad Triangle into Europe. The role of the EC in the South Slav stabilization process was also discussed.

Seated opposite the Czechoslovak, Hungarian, and Polish foreign ministers, Jiri Dienstbier, Geza Jeszenszky, and Krzysztof Skubiszewski, were Foreign Ministers Hans Van den Broek of The Netherlands, Joao de Deus Pinheiro of Portugal and Douglas Hurd of Britain. EC Commission Vice-President Frans Andriessen joins the discussion later.

The three EC countries representatives are the previous, present, and next EC presidents.

About the Jeszenszky-Hurd meeting, Ivan Baba, Hungarian foreign affairs ministry deputy state secretary, said it covered the role Great Britain, the next EC president, could play in East European minority affairs.

Talks Urge Cease-Fire in Bosnia

LD0505173692 Prague CSTK in English 1605 GMT 5 May 92

[Text] Prague May 5 (CSTK)—The foreign ministers of countries included in the EC, the Central European "Troika" and Frans Andriessen, European Community Commission's vice-president, today called on all parties involved in the fighting in Bosnia-Hercegovina to take immediate steps towards a cease-fire.

In their statement, Hans van den Broek (Netherlands), Joao de Deus Pinheiro (Portugal), Douglas Hurd (Britain), Jiri Dienstbier (Czechoslovakia), Geza Jeszenszky (Hungary), Krzysztof Skubiszewski (Poland) and Andriessen said they were especially concerned about Sarajevo's shelling by the Yugoslav Army.

They pointed out the need for Yugoslav Army troops to end their intervention in the conflict, to return to their barracks and to engage in good faith in negotiations leading to a durable cessation of hostilities.

The foreign ministers reaffirmed that the status of the newly proclaimed Federal Republic of Yugoslavia can only be determined if there is effective implementation of commitments to respect the principles of the U.N. Charter, the Conference on Security and Cooperation in Europe (CSCE) and the EC guidelines of December 16, 1991, and if the other republics give their agreement.

The statement also calls on the Serbian authorities to make greater efforts to restrain the activities of the Yugoslav Army and Serbian irregular forces. Unless this happens, the Serbian authorities will face increasing international isolation, the statement says.

At the meeting, Dienstbier said he was convinced the deliberations open up an era of political dialogue between the EC and the Visegrad "Troika" quite shortly after the signing of accords on the three Central European countries' association with the EC (December 16, 1991) and before their ratification by all the parties concerned.

The participants in the "3 plus 3 plus 1" talks agreed it is necessary to accompany economic and humanitarian aid to the Commonwealth of Independent States (CIS) with diplomatic and political support for all democratic forces in the CIS countries.

The EC and Visegrad Troika ministers favoured the establishment of an "interlocking system" through which effort by European and transatlantic organisations can be coordinated.

Portugal currently holds the EC presidency. The Netherlands is the past seat of the presidency and Britain is next in line.

The Central European troika, sometimes referred to as the "Visegrad Troika" for the town in Hungary where it was formed February 1991, is an informal association of Hungary, Poland and Czechoslovakia.

The foreign ministers' talks today will be followed up in Prague on Wednesday [6 May] by a "Visegrad Troika" summit meeting of Czechoslovak President Vaclav Havel, Polish President Lech Walesa and Hungarian Premier Jozsef Antall.

Walesa Supports Economic Unity

LD0505195792 Prague CSTK in English 1651 GMT 5 May 92

[Text] Warsaw May 5 (CSTK correspondent)—Poland's President Lech Walesa comes to Prague tomorrow for a summit of heads of state of Poland, Czechoslovakia, and Hungary with a proposal to create a "European Community-2" aimed at restoring former ties between the three countries and leading to their quicker entry into the EC.

"We dream in similar ways", Walesa said in an interview today with journalists from the three countries. "We also would like to share in European prosperity immediately. But this is not possible. We are comparable economically, but we cannot compare with Western Europe".

Walesa said Poland, Czechoslovakia, and Hungary would do best by uniting their economic efforts. "Let us come down to earth (and) strengthen our cooperation.... So that we can calmly transform ourselves with the goal of entering the European Community. This will be more advantageous, wise and realistic", he said.

Walesa stressed that economic ties should be restored between the three countries which existed under the now-defunct Council for Mutual Economic Assistance (COMECON), but which have been weakened since the fall of communism in Eastern Europe. He said such cooperation of a "European Community-2" could be overseen by the EC.

"The discontinuation of COMECON cooperation is not good—it is not purposeful.... (Now) we are not cooperating, not producing, or selling, and we have unemployment", he said. "The EC-2 could have an intermediary effect, simplifying entry into the EC", he added.

Walesa said recent statements attributed to him criticising Czechoslovak economic reforms, including the coupon privatisation scheme, as "a higher form of socialism", have been misinterpreted.

The Polish president also voiced his opposition to the possible breakup of Czechoslovakia. "If (the Czechs and the Slovaks) want to join a single (European) Community, then they cannot divide up into smaller ones", he said. "We are trying to build a unified Europe, in which there would not be a division between Czechs and Slovaks. Let us resolve the damage done in the past in a future Europe".

'Troika' Discusses Mutual Trade

LD0605113892 Prague CSTK in English 1032 GMT 6 May 92

[Text] Prague May 6 (CSTK)—The fourth summit meeting of three Central European countries, Czechoslovakia, Hungary and Poland, opened in the Czechoslovak capital today.

Attending the meeting are Czechoslovak President Vaclav Havel, Polish President Lech Walesa and Hungarian Premier Jozsef Antall.

The summit will centre on links between the three countries, also called the "Visegrad Troika" for the town in Hungary where it was set up in February 1991.

Also discussed will be the troika's dialogue with the European Community (EC), and documents will be signed on the Central European troika's relations to international organisations, contacts in border areas, and cooperation in legislation.

The three countries seek among other things to liberalise mutual trade starting July 1, 1992. The Polish daily RZECZPOSPOLITA, however, does not believe the relevant agreement could come into force by the end of the year. It considers the July 1 date completely unrealistic as each of the three countries apply different import limits.

The troika's summit follows its foreign ministers' meeting here yesterday with their counterparts from Portugal, Great Britain, and The Netherlands, and EC Commission Vice-President Frans Andriesen. The meeting focused on the three Central European countries' association agreements signed with the EC in December 1991.

EC Urges Restraint From All Sides in Sarajevo

LD0505223292 Belgrade TANJUG in English 2047 GMT 5 May 92

["Pool" item]

[Text] Brussels, May 5 (TANJUG)—The European Community today called on "all parties in Sarajevo to act with the utmost restraint and to do all in their power to refrain from any further action that might lead to a catastrophic situation of unforeseeable consequences".

The E.C. called on the Yugoslav People's Army (JNA) to "fully support" the Presidency of the multi-ethnic

former Yugoslav republic of Bosnia-Hercegovina, in which fierce inter-ethnic armed clashes have raged for a month now, "in the exercise of its constitutional responsibilities in order to resolve all outstanding issues".

The EC member [words indistinct] "the legal authorities of the republic to do all in their power for the immediate lifting of the blockade of the military academy and other military installations".

The EC members "condemn the seizure of" Bosnia-Hercegovina rump Presidency President Alija Izetbegovic "by [words indistinct] as well as the repeated shelling" of the Bosnia-Hercegovina, [word indistinct] "by JNA and irregular forces, which", as the declaration sets out, "has already caused the death of many innocent civilians and brought considerable destruction in the city".

The EC, however, "likewise condemns the attack made on Sunday [3 May] on a JNA convoy which was proceeding under the terms of an agreement with the Presidency of Bosnia-Hercegovina, brokered by UN and EC representatives".

JNA today announced that four officers were murdered and three wounded in the attack the Moslem irregulars launched against the convoy, which was evacuating from the command headquarters in the center of the city to the barracks in its suburb by the agreed route under UNPROFOR [UN Protection Forces] protection.

"The E.C. and its member states once again appeal to the parties concerned to enforce existing cease-fire agreements, without which no viable political solution to the problems of Bosnia-Hercegovina is possible, and to proceed with negotiations on the withdrawal of the JNA from the territory of the republic", the declaration concludes.

Meksi, Mitsotakis Hold Joint News Conference

AU0405134592 Tirana ATA in English 1043 GMT 4 May 92

[Text] Tirana, May 4 (ATA)—On May 3 afternoon, the Greek Prime Minister Mitsotakis and Albanian Premier Aleksander Meksi gave a press conference at the Palace of Congresses. It was attended by Albanian and foreign reporters, radio, TV and Albanian Telegraphic Agency.

Taking the floor at this conference, the Greek Premier Mr. Mitsotakis said this visit intends to give a further impulse to the Greek-Albanian relations. During the negotiations we treated all political, economic problems. We devoted particular importance to the further economic cooperation and talked on particular sectors. Greece is ready to help Albania, developing economic relations with it and will continue to help her to cope with this difficult period. We agreed to help Albania in the context of Europe. We will also help Albania in all the international forums whose member we are. We also tackled with some other unsettled problems, the functioning of Albanian-Greek consulates. We agreed to start with the creation of consulates in Gjirokaster and Ioannina. According to the agreement, in the future we will open one or two others. We agreed to examine the opportunity of creating other border points, besides the existing ones. We were concerned with the Albanian emigration in Greece and agreed to legalize the largest possible toll of emigrants being now in Greece. I also confirmed that we will strive to create opportunities for the emigrants throughout Albania to work in Greece even seasonally. We spoke on the problems of Yugoslavia, the problem of the Republic of Skopje. We agreed to establish constant contacts and as two Balkan countries strengthen cooperation.

The problem is to end current crisis in Yugoslavia. I invited Premier Mr. Meksi to sign an agreement of friendship and cooperation to improve more and more our relations. On behalf of President Karamanlis I also invited the president of the republic, Mr. Berisha, for a visit to Greece.

Amongst others Albanian Premier Mr. Aleksander Meksi said that the topics discussed there had to do with the political relations to the good of bilateral rapprochement and Albania's quick integration to the big European family. We discussed with the Greek prime minister the Cam problem [Albanians deported from Greece in the Second World War] and demanded according to international documents to turn them in the hearths of their predecessors as well as of the properties they inherit. We discussed on the fire being kindled by Serb foolishness in Croatia, Bosnia-Hercegovina and in other places and the danger of spreading war in the territories of Kosovo. We aired our view, said Mr. Meksi, that we do not recognize the Federal Republic of Yugoslavia, which is a unity to the liking of the communists, despite the will of the peoples of these countries and said that we are for the existence of the Republic of Kosovo. We assured that Greek minority in Albania will enjoy all the rights granted by the international acts.

Following this, Mr. Mitsotakis, said that he wanted to add something else in his speech. It must be clear to all levels that Greece will not accept Cams return to their hearths in Greece because they were ousted as war criminals and in such cases the international laws are to be observed. As for their wealth there is room for discussion. Regarding Albania he said that Greece has no territorial claims. As for the Yugoslav issue, he added, Greece pursues the policy of European Community and consequently the recognition or non-recognition of Yugoslavia depends on the steps to be taken by Europe. I also explained to Mr. Berisha in regard to the name of Macedonia and asked not to recognize it earlier than Europe, he said. As for the treatment of the Greek minority in Albania, as far as it is done or as far as we were told, we are very pleased and to the Greek Government this is a link that unites and does not separate us, he said.

Then the two prime ministers answered the questions of the reporters.

Cameria Group Holds Demonstration

AU0405134492 Tirana ATA in English 1005 GMT 4 May 92

[Text] Tirana, May 4 (ATA)—The "Cameria" Political Patriotic Association held on May 3 before noon a peaceful manifestation in the Boulevard "Deshmoret e Kombit" in front of the premier's office, where talks were being conducted between the prime ministers of Albania and Greece. Tens of members and sympathizers of this association held aloft posters, writing "Cameria is our motherland;" "We want to return to our hearths;" "The Cam people and Cameria have existed and will exist;" etc. The manifestation continued without incidents.

Assembly Discusses Supreme Court of Appeal

AU0605132492 Tirana ATA in English 0909 GMT 6 May 92

[Text] Tirana, May 6 (ATA)—On May 5 in the afternoon, the People's Assembly continued its proceedings in plenary sitting with the third point on the agenda: the election of the Supreme Court of Appeal, the Constitutional Court and the General Prosecutor's Office. The vice chairman of the People's Assembly Tomor Malasi, who presided over the sitting, read out the proposal of the president of the Republic Sali Berisha for the chairman and the vice chairmen of the Supreme Court of the Appeal, Messieurs Nuro Hoti, chairman and Agim Shkupi and Maliq Memce, vice chairmen. In the name of 35 deputies, the deputy Petrika Minga read the names of the other members of this court. There were discussions in this sitting on the procedure of proceedings and Deputy Gramoz Ruci, in the name of the parliamentary

group of the Socialist Party called for time for discussions, because they were not informed for the agenda and to read a statement for not being present in the sitting of the Assembly. He demanded consultations of the presidencies of the parliamentary groups with the Presidency of the Assembly to continue the proceedings.

After the break, proposals for the Supreme Court of the Appeals and the Supreme Court were made, but still the deputies of the Socialist Party said they wanted to have time till the morrow day and then to pass onto discussions. Zabit Brokaj read out also the statement of the group of the Socialist Party, which protested against the decision of the government for the reburial of some former leaders of the Party of Labour of Albania and of Myslim Peza in particular as well as against the TV for covering various activities. This statement caused a long debate and sharp replies among the deputies which made the deputies of the Socialist Party leave the hall.

The Assembly continues proceedings on May 6, before noon at 11.00 [0900].

Deputy Pashko Interviewed on Political Role

AU0605083392 Tirana RILINDJA DEMOKRATIKE in Albanian 25 Apr 92 p 3

[Interview with Gramoz Pashko, Democratic Party People's Assembly deputy and former deputy prime minister, by unidentified correspondent; place and date not given: "Separation of Parties and the State—The Key to Democracy"]

[Text] [RILINDJA DEMOKRATIKE] In an interview with ZERI I RINISE you were offered three choices—deputy prime minister, party leader and intellectual. You chose the third option. It seems to me that this is all that is now left to you.

[Pashko] The question only offered me a choice of three. The choice of free intellectual was no doubt the best of them. This is why:

First, being deputy prime minister, prime minister, or president of Albania today requires a superhuman sacrifice. People have so many problems that no person alive in Albania today is able to solve them. People want bread, housing, work, and calm, and ask the state authorities for all these things. However, anybody representing these authorities will find it impossible to settle all these grievances. The Albanian economy is heading for a catastrophe. Inflation will soon reach 500 percent. Unemployment will rise to 30 percent of the able-bodied population. The foreign debt will impede foreign investment for a considerable period; food aid will require titanic efforts on the part of the government, and a question mark increasingly stands over its success. The leaders of the state must therefore ask people to be patient, but for how long? This will inevitably lead to conflicts between the distressed people and representatives of the government.

I attempted once in my life to pass through the flames of this hell and to work through the conflicts with people I would have liked to help. I did not have the ability to solve their problems. I failed and became disillusioned. I was not able to solve people's grievances and they had no patience with my impotence, an impotence that stemmed from the circumstances and for which I was not to blame.

Second, the position of a party official is equally undesirable. In a country like ours that has raised and trained two generations in "party-mindedness," you become a demagogue, promise more than is realistically possible, and thus deceive yourself, all the more so today when you have won a vote of confidence, stand before a new test, and have become accountable. Hungry, barefoot, and despairing people have the right to call you a liar and to be dissatisfied at any delay in meeting their needs.

The third option is the one I have chosen. I am a specialist in economics. I have tried to teach students. I have tried to write, and I have published books and articles both at home and abroad. In an interview with Voice of America in December 1990, when there were many rumors that we had started the struggle against communism not because of ideals but only in order to gain jobs, I replied as follows: "I have waged the struggle for democracy in Albania because I love my children, and I want the day to come for them and all the children of Albania when I will turn to my students and teach them the truth, when I will speak and write the truth for them." I still stand by this ideal.

[RILINDJA DEMOKRATIKE] At a news conference after your visit to London, you came out against a decision that left the implementation of the economic reform half-completed. With hindsight, do you think that the opposition benefited or not from the resignation of the National Stability Government?

[Pashko] I continue to hold by the view that I expressed at the time, even more strongly with the benefit of 5 months' hindsight. First, the economic reform really was obstructed. The economic program compiled with the help of the IMF should have been concluded at the beginning of December. Final projections were to have been made with the IMF team on 10 December, but the IMF specialists who were to have cooperated with us left even before work started, as soon as our resignation from the government was announced. This program was accompanied by a package of aid in raw materials for a period of more than one year. This program was the key to maintaining continuity at the mid-January meeting with the Group of 24 about its aid package for Albania, a meeting which took place in Brussels in January without great hopes. The Brussels meeting about aid for Albania in the middle of April also failed. I have no hope that any package of aid from the Group of 24 will come for Albania unless we carry out an IMF-approved reform program. Let us not forget that this is the second year running that we are asking for food aid when this is conditional on reform. I have explained this idea and its

consequences both to the Democratic Party's [PD] parliamentary group and its presidium.

The IMF team is expected to come again this week and to conclude the reform program, which will then be submitted to the Group of 24. A new meeting of the Group will then be organized, and aid to Albania will resume. All these things will take several months, besides the delay in the program and the fact that this program must be very serious. In short, the failure to carry out this plan in December has cost the country many months and has seriously endangered food aid for the future.

Second, the National Stability Government should have abolished the 80 percent rule [proportion of wages paid to laid-off workers]. The Law on Enterprises, the Social Assistance Law, and the Law on the State Bank should have been fully enacted. Above all, prices should have been completely freed so that inflation could have been stemmed and the production of peasants and private producers stimulated, leading to rising sales in spring.

As an economist, I think it was up to the National Stability Government to do these things, a government of "suicide pilots" who would be insulted, accused, and forced to commit hara-kiri, but would take all the sins of this period on their own shoulders, leaving a clean slate, without conflicts and disputes with people, for the new government after the elections. In short, the sins of the transition period would have fallen on me and my colleagues, but the reform would have gained time and it would have been much easier to consolidate democracy. The present government is obliged to take matters up from the point where we left off, unfortunately without any continuity and after many wasted months.

Thus, making a judgment as economics minister and an expert, I still hold the idea that the economic reform was abandoned halfway through. Many measures should have been taken in these 5 months to bring the economy of this devastated country closer to a proper solution. These solutions have now been postponed for at least 6 months, and their effects for at least 1 year.

However, whereas in economics there may be several solutions for a specific problem, I was perhaps mistaken in terms of politics, where there is only one. Regardless of the economic reform, the PD's National Council decided on this solution. I submitted to this decision not simply because of party discipline but because I obey the majority.

[RILINDJA DEMOKRATIKE] You have spoken against populism and have said that populism presupposes that it is not laws and regulations that make up democracy. Do you think that this danger is present today?

[Pashko] First, I agree with the definition. Populism is an ideology without an ideology that is very widespread in Latin American countries and here and there in the countries of the East. It was also present among us in Albania at the time of the cultural revolutions and the Chinese idiocies. It is war waged by the street against order, by the emotions against logic. However, emotions often err, while logic is more farsighted. For instance, populism is as if all drivers were not to accept traffic regulations on the excuse that they are prescribed by the police and are not to protect citizens' lives. Let us follow the reasoning a little further. When a driver breaks the traffic rules, crashes his car, and is stopped by the police, he might say, "What business is it of yours? It was my own life I put in danger!" Well, let a driver do what he wants with his own life, but he endangers the lives of other people on the roads, and they must be protected. The regulations for their protection must be enforced whether our driver likes it or not. The police exist to enforce these laws. These other people who are in danger are the majority and this majority asks the police for the laws to be respected so that their lives will be safe.

It is more or less the same in politics. Populism remains the greatest danger for democracy. It appears when a restricted group of people exert pressure against the law, and when this group imagines that policy can be determined whenever they think fit, because they imagine that they are the only people with the right answers. If such-and-such a parliamentary decision does not please them, they change this decision if not the entire parliament, even though the majority may not agree with this.

Populism is attached to instant gratification, regardless of whether this jeopardizes the future. Populism, which leads to a disrespect for democracy, also creates a confused psychological impression among many people that Albania's present chaos is a result of democracy, that democracy sows mayhem. Populism creates a fog that makes it difficult for people to realize that today's chaos is the result of the death throes of communism and is not a product of democracy.

[RILINDJA DEMOKRATIKE] You have spoken about a clear division between the state and the parties. You have also said that the war against the state being waged by the political parties smacks of neocommunism. Was this true of the National Stability Government, or does it still hold good today?

[Pashko] The separation of the political parties from the state is the key to democracy. The party directs the state only under communist regimes. This experience is ingrained in us all: We used to turn to party secretaries over every problem, from employment to passports, housing, the installation of a telephone, and the right to education. You needed your curriculum vitae, and the party secretary had to give his approval before you met your sisters, cousins, and aunts, let alone travelled abroad. We were unconsciously brought up to believe that the party is the state.

The system operates differently in democracy. The individual is free. Political convictions join different people who gather in parties. Thus the different parties represent groups of people with different beliefs in political life and the parliament. The political parties direct the

state through the parliament by approving laws or calling for their enforcement. The number of votes they obtain gauges to what extent the people support one program or another. Parliament represents the opinion of the majority. By voting for them, the people give the individuals who participate in parliament a mandate to direct people for a certain length of time and give those elected the right to speak on their behalf.

These are the most elementary principles of how democracy operates: The will of an individual is respected as part of a community of interests, as long as the interests of each individual do not conflict with those of the community. Each individual manages his own affairs, but settles those that involve the interests of others through the state. The political parties direct the state only through their programs and laws are drawn up on the basis of these programs. The political parties are not personnel or management offices.

These principles have been embodied in documents of all kinds from the U.S. Constitution 200 years ago to the Copenhagen Charter 2 years ago.

But what happens? The political parties often identify themselves with the state. They intervene over who should be given employment and who should be given a house, etc. This is neocommunism. The problem becomes extremely serious when this atmosphere is compounded by populism. It seems that everybody is born with the right to impose himself on the state, i.e. the law. Instead of a struggle against dictatorship and communism as a system, instead of fighting to establish the rule of law, instead of eradicating arbitrary rule by party individuals, many people today think that democracy means getting rid of some people and replacing them by others, not changing the laws, not changing institutions, and not changing the economic system. For these people, the struggle against communism is a new class struggle, with changed positions. For these people, the election victory is the finale: There is no need for new laws and institutions, but merely for a purge of the ranks.

Klaus Rejects U.S. Criticism of Arms Exports

AU0605133092 Prague CSTK in English 1615 GMT 4 May 92

[Text] Olomouc, North Moravia, May 4 (CSTK)—Chairman of the Civic Democratic Party (ODS) Vaclav Klaus said here today it is hypocritical of Western European countries and the United States to criticize Czechoslovakia for manufacturing and exporting arms.

At a meeting with students from Palacky University, Klaus said these countries, whose production and export of arms greatly exceeds that of Czechoslovakia, are waiting for Czechoslovakia to free up its earlier-occupied arms markets.

Klaus, who is also Czechoslovakia's finance minister and deputy premier, said Czechoslovak arms exports had fallen from 29,000 million crowns (1,000 million USD) in 1986 to only 4,000 million crowns (130 million USD) last year. "If anything like this were to happen elsewhere, there would be a crisis in the world greater than that of the 1930's," Klaus said.

Speaking of the April 30 publication in two Czech newspapers of lists of Czech and Slovak journalists named as Secret Police (StB) agents, ODS Deputy Chairman Miroslav Macek told a news conference that the ODS has always been in favor of complete publication of the names of all StB members and agents. Klaus added, however, that the ODS does not support "parcelling it out by professions."

Dienstbier Interviewed on Foreign Policy, Taxes

AU0505160192 Prague LIDOVE NOVINY in Czech 30 Apr 92 pp 1,9

[Interview with Jiri Dienstbier, foreign minister, federal deputy prime minister, and chairman of the Civic Movement, by Jana Smidova; place and date not given: "The Market Is an Instrument of Freedom"]

[Text] [Smidova] The parties are setting out their foreign policy concepts prior to the elections. These concepts are often based on criticism of you and your work. The Civic Democratic Party [ODS] rejects an alliance involving Prague, Budapest, and Warsaw, which it and others see as "Europe's poorhouse," while the Civic Democratic Alliance [ODA] describes the foreign policy steps taken so far as uncontrolled and lacking in concept.

[Dienstbier] I try to ensure that foreign policy is impartial, but it is attacked because I am chairman of the Civic Movement [OH]. From the very beginning we have done everything we could to integrate ourselves into an advanced Europe, into a Europe where we have always belonged. I have often quoted Jan Masaryk: "Neither a curtain nor a bridge, but an element in a democratic chain." Of course, foreign policy alone is not enough for this; it also depends on domestic development. Therefore, I find it hard to understand when the ODS' Mr. Zieleniec is critical of the fact that we want to be a stabilizing element in Central Europe. This is not a foreign policy concept but a prerequisite for making sure we have a voice on the international scene. On the contrary, if we become a destabilizing factor, no one will be interested in us. Western Europe and the United States appreciate our cooperation with Poland and Hungary. If we want to integrate ourselves into the EC, we have to demonstrate that we know how to establish relations among ourselves based on the principles that apply there.

[Smidova] What do you think of the attempts to view Czechoslovakia as the most easterly outpost of democracy?

[Dienstbier] I consider the ODS' claim that we should form the eastern border of the democratic world to be dangerous. If I pass over the economic point of view—an attractive unsatiated market in which there is great interest throughout the world—I have to emphasize the security aspects. They are aware of these aspects in the United States, NATO, and everywhere else in Europe. Therefore, we are involved with Karabakh and Yugoslavia within the framework of CSCE or the United Nations and, therefore, the European Community is expending so much energy on Yugoslavia.

[Smidova] It has been said that Czechoslovakia was hesitant toward Yugoslavia, especially in recognizing Slovenia and Croatia.

[Dienstbier] My standpoint is, on the contrary, firm and unequivocal. Recognition of Slovenia and Croatia is necessary, but without a solution to the entire Balkan situation, it merely isolates the conflict and in no way resolves it. We see this today in Bosnia. I consider a united course of action by the international community to be most important. If the sides involved in the conflict were reliant on various countries for support, including Islamic ones, it could turn into a tragedy similar to the one in the Middle East, and it could even become linked to it. The threat of conflict in Transcaucasia, Moldova, and elsewhere is associated with this. If we do not succeed in overcoming the Balkan problem and in boosting democracy in Russia, Ukraine, and other former Soviet republics, the result could be a big bang after the year 2000, pushing the iron curtain just a couple of hundred kilometers to the east and southeast. Only this time, perhaps, we would be on the happier side.

[Smidova] The future of our common state is closely associated with this....

[Dienstbier] We are in favor of a common state not only for emotional or economic reasons, but also for security reasons. The geopolitical status of Czechoslovakia is something other than the status of separate republics. Therefore, I consider playing the card of Czech nationalism—as practiced, for example, by the ODA chairman, otherwise the congenial Jan Kalvoda—to be absolutely irresponsible. This may bring him the votes of Czech nationalists. I hope he stops this after the elections.

[Smidova] How do people at election meetings react to these issues?

[Dienstbier] Our citizens are highly educated and readily understand even complicated issues when they are explained to them. People get carried away sometimes in discussions about the treaty with Germany. I understand this in the case of people who survived the concentration camps or who lost their relatives. However, some people have acted demagogically. The communists, who for 40 years used revanchism as a scare tactic, squandered their chance to show—at least here—that they are serious about their own transformation. Unfortunately, the social democrats behaved in a similar manner. Their German colleagues are protagonists of rapprochement. Nevertheless, our social democrats adopted a negative stance toward the treaty without—I hope—realizing that by doing so they were acting against our integration into Europe. In the end, however, the intense discussion was useful. People will see that nothing bad will happen and that, on the contrary, things will turn out well. Germany, no longer a nationalist, but a European Germany, is our gateway to a united Europe. Therefore, the treaty is a document on a European scale.

[Smidova] You also assert the European dimension in your party post. The OH declares itself to be a liberal party. Do you want to play the role of balance on the scales like the German Free Democratic Party? Is this possible in our country?

[Dienstbier] It is not, and the OH does not want this. The issue in our country involves the fundamental transformation of society. A liberal free-thinking course of action must now be asserted in opposition to the customary black-and-white way of looking at things, a way of thinking that turns a fanatical left-winger into a right-winger and vice versa. Many people attack the OH because the bedrock of its policy is resistance to all extremes and radicalism. We have achieved a great deal of success. Others also realize they cannot succeed with radicalism. I am surprised at all those who label themselves left-wingers or right-wingers and thus place themselves on the edge of the political spectrum. We are aiming straight ahead. If I wanted to adopt their terminology, then we—as opposed to the extremes—are the main stream. We are doing everything we can to ensure that the OH is strong in the elections.

[Smidova] However, rather than the main stream, you are described as pinkos and modifiers of reform.

[Dienstbier] I am not going to get involved in name-calling. The OH is one of the main parties. If it does have former Communist Party of Czechoslovakia members in its leading bodies, then they were people expelled from the party after 1968. Our right-wing parties cannot say this, but this is not really the issue. We are not softening reform, and we are against any kind of slowing down or diffusion as the social democrats advocate. We know that softening reform would lead to its collapse. The reform being implemented is not the policy of a single party, but of the governments in which we have 16 members. If we wanted to torpedo something, we could do it very easily.

Moreover, this policy stems from the Civic Forum's election program, a program we are assiduously fulfilling. However, we know the success of contemporary Western society is rooted in the fact that it is aware of the interrelationships among all human activities. The market is an instrument of freedom and not a mechanism that turns people into its instruments. The market, social and ecological responsibility, and support for education and culture are merely different aspects of this democratic process. Neglect of any of them is projected in the others. For example, the current economic slump in the United States is attributed in America to the fact that Reagan cut investment in education 10 years ago. It is now necessary to amend this. The success of transformation so far is immense; we had only 50-percent inflation which, in comparison to other states, is unbelievable. However, we cannot become entrenched in the restrictive phase, especially as one of its pillars—a balanced state budget—is pure fiction today. If production continues to decline, we will not have the revenue we envisaged. It is necessary to supplement the current tried-and-tested instruments with other ones, first and foremost, instruments supporting small and medium-sized enterprise.

[Smidova] For instance, the lower taxes the OH proposes?

[Dienstbier] The general view is that higher taxes mean higher revenue for the state budget, that is, more money for social purposes, health care, and other essentials. Of course, this only applies if there is something to collect taxes from. If there are fewer enterprises and fewer employed, there will be fewer people to tax. Lower taxes lead to an enterprise boom and to higher employment. We want to speed up reform. This involves introducing ecological production. If we do not take care of this now, it will cost us dearly later, to say nothing of the fact that better health is also part of prosperity. We also need to quickly develop our communications and telecommunications systems; so far, no private entrepreneur has managed to do this. Poor communications also slow down the inflow of foreign capital.

[Smidova] What is your attitude toward the ODS and the ODA?

[Dienstbier] They are pro-reform parties and, at the moment, I cannot imagine any other coalition that could guarantee continuation of our transformation. Incidentally, people write me many letters and demand that we get together again. The OH offers cooperation regardless of whether it is accepted or not. I understand that they need to define themselves and to emphasize their distinctiveness. At the same time, however, we should maintain not only formal decency, but also a business-like approach. This involves common interest, the

strength to continue, and the will to cooperate. This does not alter the fact that we all want to succeed as best as possible in the elections.

[Smidova] What do you think of the results of the election public opinion polls?

[Dienstbier] They are misleading. People express their opinion on the parties and often do not know who is in which party. However, they will mostly vote for people they trust. Therefore, I do not doubt that the Civic Movement will fare better than it may seem from the polls.

Foreign Minister Discusses State Arrangement

AU0305160192 Bratislava NARODNA OBRODA in Slovak 29 Apr 92 p 3

[Interview with Jiri Dienstbier, federal foreign minister, deputy prime minister, and chairman of the Civic Movement, by Branislav Janik; place and date not given: "A Common State Formed From the Will of Both Republics"]

[Text] [Janik] Mr. Chairman, what is the Civic Movement's [OH] point of view on the constitutional and legal arrangement?

[Dienstbier] A common state is one of our first requirements; of course, it must be established on new democratic and autonomous principles. However, it can only exist as an expression of the common will of the citizens of both republics. Although a solution to this problem will—undoubtedly—be postponed until after the elections, we continue to discuss this issue. I think the OH's election campaign course of action could influence the decision- making not only of voters in the Czech lands, but also in Slovakia. The issue involves ensuring that supporters of the common state in Slovakia see us as a democratic and understanding partner.

[Janik] However, you have said that the OH is not afraid of Czech statehood....

[Dienstbier] This was in the context that if the Slovak people really decide in favor of independence, we will not stop them. In this instance we are not afraid of Czech statehood.

[Janik] Do you agree with the view that responsibility for the failure of the constitutional and legal talks does not lie exclusively with the Slovak side?

[Dienstbier] It would be an oversimplification to state that the Slovak forces that do not want to preserve the common state are responsible. I think responsibility also lies with the Czech side. I mean those forces that, because of their unwillingness to understand the Slovak need for free self-realization, are frightening away those people in Slovakia who would like a common state formed through the free will of both nations. It is dangerous to characterize Slovak nationalist aspirations as national socialism. This is a misunderstanding of the Slovak nation's emancipatory endeavors. The OH is of the opinion that a strong Czechoslovak federation provides a guarantee of stability for the Central European region. During my recent talks in Baku, Stepanakert, Yerevan, and Tbilisi, I realized that our constitutional and legal discussion is easy compared to what is going on in these places.

[Janik] From what I know of the OH's liberal ideas, people are not an instrument of the economy, but the economy is an instrument of their free self-realization. How, in this context, does the OH perceive the role of the state in the economy, in the market economy?

[Dienstbier] Our goal is a social market economy that respects the environment. At the same time, we are in favor of a minimal role for the state. This is a fundamental liberal principle. The state can—and must—only do what it is impossible to do at a different level, that is, guarantee equal conditions for everyone, among other things, by means of the economic instruments of a law-governed state.

[Janik] I imagine there are different views about the role of the state in the current transition period and in a normally functioning economy.

[Dienstbier] Whether we like it or not, the state currently owns a large part of the economy. It cannot rid itself of its responsibility for this until it is privatized. However, this does not mean creating a kind of protectionist environment for it, otherwise we would not rid ourselves of its monopolistic status. The role of the state in the transition period is clearer and more energetic; however, it will gradually lessen during this long-term process.

[Janik] What is missing on the current political election scene?

[Dienstbier] Experience and tolerance. A little demagogy is used in every election campaign, but not constantly and even between elections, as is the case in our country. On the whole, these problems are problems faced by a democracy at the earliest stage; they are no longer the problems of a totalitarian system. Forty parties have entered the election race, but only a few have a chance of getting into parliament. Nevertheless, squabbling among them could mean that a high percentage of voters will ignore the elections and that citizens will not feel any responsibility for the most difficult years of transformation. This is a dangerous situation, one that is convenient for the growth of extremism, especially if a few "hotheads" get into the parliaments and if we have problems with the constitutional and legal arrangement.

[Janik] Briefly, what are the OH's views on election coalitions?

[Dienstbier] We are concentrating our election efforts in the Czech lands. Our election slogan is "strength through decency." We are going into the elections alone. We also have contacts with Slovak forces with whom we would

like to form a serious partnership after the June elections. These include the Christian Democratic Movement, the Civic Democratic Union, and others.

Economic Minister on COCOM 'Black List'

LD0605120192 Prague CSTK in English 2132 GMT 5 May 92

[Text] Prague May 5 (CSTK)—Czechoslovak Economics Minister Vladimir Dlouhy today said the fact that Czechoslovakia, unlike Hungary, remains on the "black list" of the Coordinating Committee for Multilateral Export Controls (COCOM) is unpleasant but not fatal.

In an interview for CSTK, Dlouhy said "Hungary will have a certain advantage which is bad for us, a country with a rich industrial tradition that needs advanced technologies".

Dlouhy said Czechoslovakia will not be deleted from the COCOM list unless it disperses doubts concerning its arms exports to some Middle East countries.

Earlier this year Czechoslovakia was criticised by some Western countries over its tanks exports to Syria.

Dlouhy said he held talks with U.S. officials on Czecho-Slovak arms trade during his visit to the United States last week. He stressed that Czechoslovakia must make order in its arms trade. "Although a lot has been done, I do not think everything is in order", Dlouhy said.

Presidential Election Scheduled for 3 July

AU0205174792 Prague MLADA FRONTA DNES in Czech 28 Apr 92 p 2

["Ben"-signed report: "Television and Radio Without Changes"]

[Excerpt] Prague—[Passage omitted] The election of the CSFR president by parliament for the next electoral term will be held on 3 July 1992. However, the election will not take place at a ceremonial meeting in the Vladislav Hall of Prague Castle, as is customary but in the parliament building. Only the subsequent inauguration of the new head of state will take place at Prague Castle. We obtained this piece of information after yesterday's meeting of the Federal Assembly's Political Board. According to a timetable that was submitted to representatives of political clubs represented in the Federal Assembly, on 18 and 19 June, the parliament will elect its chairman and the present Federal Government will submit its resignation. A week later the deputies will hear the president's speech on the composition of the new cabinet and the newly appointed prime minister's speech on the government's policy statement. This will be followed by the parliament's vote of confidence in the new CSFR Government.

HZDS Chairman Meciar's Post-Election Expectations

LD0405224892 Prague CSTK in English 2030 GMT 4 May 92

[Text] Prague May 4 (CSTK)—The chairman of the Movement for a Democratic Slovakia (HZDS), Vladimir Meciar, today told Czechoslovak President Vaclav Havel he expects a long-term formation of a Federal Government after the June elections in Czechoslovakia.

After their meeting, Czechoslovak presidential spokesman Michael Zantovsky said Meciar explained to Havel his idea of steps to be taken after the elections. According to the HZDS, a Slovak opposition party, ministers of the current federal government ought to hold their posts until the composition of a new government.

Zantovsky said Havel praised the willingness of Meciar and HZDS representatives to negotiate and seek solutions and compromises to controversial issues.

Meciar, Slovak premier from June 1990 till April 1991, told a news conference later in the day that the HZDS expects a new Slovak constitution to be adopted after the June 5-6 parliamentary elections, anchoring the post of Slovak President who would simultaneously be the vice-president of a common state constituted by the Czech and Slovak Republics.

Meciar said the adoption of a declaration on the sovereignty of Slovakia and of its new constitution would not mean the end of the common Czechoslovak state.

He said the HZDS and Havel had and still have different opinions on many issues, but there is a real chance of reaching an agreement on some of the issues.

The HZDS, which separated from the Public Against Violence (VPN) in April 1991, is currently by far the strongest party in Slovakia with about 30 per cent support.

Dubcek's SDSS Names Possible Post-Election Partners

AU0605133592 Prague CSTK in English 1807 GMT 4 May 92

[Text] Prague May 4 (CSTK)— Czechoslovak President Vaclav Havel and Slovak Social Democratic Party (SDSS) Chairman Alexander Dubcek discussed here today issues concerning Czechoslovakia's future state setup and the period after the June 5-6 parliamentary elections.

According to presidential spokesman Michael Zantovsky, Havel said there are no great differences in his and Dubcek's opinions on the country's arrangement as both of them back Czechoslovak statehood.

Havel said it was his first meeting with the SDSS.

SDSS representatives informed Havel of parties with which the SDSS could cooperate in the post-election

period. Of the Slovak parties they mentioned the opposition Movement for a Democratic Slovakia (HZDS), which tops public opinion polls with about 30-percent voter support, and the Democratic Left Party (SDL - former communists). Among parties on the Czech political scene, they mentioned the Czechoslovak Social Democratic Party (CSSD) and the Civic Movement (OH), a successor to the Civic Forum (OF) which won the 1990 elections.

CDP Chairman Discusses Preparations for Elections

LD0205044492 Prague Stanice Praha Radio Network in Czech 1630 GMT 26 Apr 92

[Excerpts] The Civic Democratic Party [CDP] congress took place in Luhacovice, southern Moravia, on 26 April. How did the congress succeed in meeting its objectives? This was the question that Vaclav Musilek asked Vaclav Klaus, the CDP chairman.

[Begin recording] [Klaus] Well, today's congress had to conclude our preparations for the decisive event of Czechoslovakia nowadays, which is undoubtedly the June election. Today's congress had to demonstrate, as it did, a unified CDP, welded together, ready to do well in the elections, and not only that. For us, to do well means to win the elections.

I think that all that happened today proved it, beginning with the perfect organization of the congress, for which we have chosen, not by a mere chance, a town on the border of Moravia and Slovakia. That is symbolic for us.

We have come together, and I think that it was clearly demonstrated that the CDP members and the delegates approve of the election manifesto, which had been worked on for many long months, that they approve of our choice of candidates, and that they approve of our choice of election leaders. I followed, holding my breath, addresses of the 15 CDP election leaders, and I have come to realize what I knew in fact, but what became clear now, namely that all the objections of our opponents claiming that the CDP lacks personalities and has, perhaps, only Vaclav Klaus, are utter nonsense. I know that anyone from among these would be number one for any party that we have in Czechoslovakia. [passage omitted]

[Musilek] Mr. Klaus, the CDP is in fact the only federal party, since it is running in the elections also for the Slovak National Council in coalition with the Democratic Party. Was the CDP not too late to enter the Slovak political scene?

[Klaus] Whether it was late or not—this is simply crying over spilt milk. We simply arrived in Slovakia when we could, when we were able, when we had the feeling that we were sufficiently stabilized and settled down in Bohemia and in Moravia, and when also in Slovakia the need for the CDP emerged. We simply could not enter Slovakia from Prague, we could only enter Slovakia when local CDP cells were being created. And we simply did it when it was possible. [passage omitted]

[Musilek] Which parties and movements do you consider to be your possible post-election coalition partners? With whom are you willing to cooperate and with whom, on the contrary, would you not be willing to do so?

[Klaus] Well, we have created a kind of a coalition with a small, not very visible or well-known party—the Christian Democratic Party in the Czech lands; of course, we cooperate with the Civic Democratic Alliance, and we very closely follow developments in the Czechoslovak People's Party and its, hopefully, final settling down on the healthy side of our political spectrum.

In Slovakia, besides our coalition partner, the Democratic Party, undoubtedly the Civic Democratic Union PAV, now called only CDU, is our coalition partner. I think that due to our view of the world, we have to be in a partner relationship with the Christian Democratic Movement. So these are the parties where it is clearly yes.

Then you have some other parties where it is clearly no, and we need not say that, besides our Communist parties, these include all our social Democratic parties, the Liberal Social Union, and, similarly in Slovakia, the Movement for Democratic Slovakia, and so on. And there are those in the gray area, well, gray for us. I would not want to belittle them; I think cooperation with them will depend on them and on the election results. [end recording]

Electoral Commission To Regard LSU as Coalition

AU0505142792 Prague RUDE PRAVO in Czech 30 Apr 92 p 2

[CSTK and "(KJ, PV)"-signed report: "Two Electoral Commissions—Two Opinions About the Liberal Social Union"]

[Text] Prague—The Czech Electoral Commission [CVK] will regard the Liberal Social Union [LSU] as an electoral coalition formed by at least four political parties—the Liberal Social Union, the Czechoslovak Socialist Party, the Agrarian Party, and the Green Party. When calculating the number of votes in the elections to the Federal Assembly, the Central Electoral Commission will regard the LSU as a movement. The commissions made these decisions on 29 April.

According to CVK Chairman Vystavel (Civic Movement), the reason for this decision is the fact that some LSU candidates will campaign during the election period as representatives of the other entities affiliated in the LSU. It follows on from this decision that if the LSU wants to be represented in the Czech National Council [CNR] by its own deputies, as a coalition formed from four entities it has to win at least 11 percent of the votes cast in the elections.

As CVK Member Frkal told RUDE PRAVO, this is "a political step that has no legal basis and is purposefully and specifically oriented against the center and the left. The decision was carried by a majority of one," he added.

"This is a perfect example of how democracy in Czechoslovakia functions. It is even absolutely ridiculous that they came up with four parties. This is precisely in accordance with the scenario for preventing the LSU from getting into the CNR; but it does not matter if it gets into the Federal Assembly. We will submit our protest by legal means and, of course, we will protest in the press. However, in this situation I believe the Club of Non-Aligned Activists, the Civic Democratic Alliance, and the entire right wing will do everything it can to suppress any kind of opposition," said LSU Chairman Trnka to a RUDE PRAVO reporter regarding the CVK's decision.

Economic Advantages of Sovereign Slovakia Assessed

AU0605132892 Prague CSTK in English 1529 GMT 4 May 92

[Text] Bratislava May 4 (CSTK)— The economic advantage of a sovereign Slovakia would be that besides trade contacts with the Czech Republic Slovakia would also be able to directly exchange goods with the whole world, Viliam Oberhauser said today.

The deputy chairman of the Slovak Christian Democratic Movement (SKDH) and Slovakia's forest and water management minister told a press conference that Slovakia's sovereignty would not mean any change in Czechoslovakia's current constitutional setup.

Slovak Deputy Finance Minister Marian Tkac of the SKDH said that financial sources created in Slovakia are about 39,500 million crowns (over 1,300 million dollars) higher than officially stated.

The difference between the real and stated figures results among other things from the fact that profits earned by Slovak enterprises which are part of federal enterprises are registered as created in the Czech Republic, Tkac said. He added that for instance 72 percent of the profit earned from the transit gas pipeline (from the territory of the former Soviet Union) comes from Slovakia's territory.

The SKDH, headed by Jan Klepac, separated from Slovak Premier Jan Carnogursky's Christian Democratic Movement (KDH) in March 1992 due to growing controversy over Czechoslovakia's future state setup and the way to carry through the economic reform.

19 Top Officials Identified as StB Collaborators

AU0605132592 Prague CSTK in English 1731 GMT 4 May 92

[Text] Prague May 4 (CSTK)— The Czech parliament's investigatory commission for questions of screening identified 19 of 58 top Czech officials as collaborators with the former Secret Police (StB), the commission's chairman Ivan Masek told the Czech parliament today.

Presenting a final report on the commission's activity, Masek said eight deputies of the Czech National Council (parliament) were found to have been StB collaborators. Four of them failed to resign within the given 15-day limit and their names were included in the commission's reports submitted to the Czech parliament.

Also positively screened were six members of the Czech Government and their deputies. All of them resigned within the given limit, Masek said.

The commission was set up in May 1991 to find out who of the Czech parliament deputies, Czech ministers and their deputies, and top prosecutors and judges collaborated with the StB.

After discussing the report and taking note of it, the Czech parliament ended the commission's activity and ordered its materials to be filed with the Czech parliament office.

[Prague TELEGRAF in Czech on 5 May on pages 1 and 2 carries a 600-word "vk"-signed report on the commission's report. The TELEGRAF report identifies the four Czech National Council deputies who did not resign within the given limit, and whose names have therefore been made public, as Jiri Hajek (Communist Party of Bohemia and Moravia), Vladimir Lastuvka (Civic Movement), Helena Nemcova (Civic Forum-independent), and Vaclav Exner (Communist Party of Bohemia and Moravia).]

Slovak Media Seen Under StB, Meciar Control

AU0405092292 Prague RESPEKT in Slovak No. 17 (27 Apr-3 May 92) p 3

[Peter Schutz commentary: "Brainwashing—Slovak Style"]

[Text] As is, unfortunately, very well known, on 17 April, Federal Security and Information Service [FIS] Director Stefan Bacinsky presented to the Czech prime minister a list of 262 members of the Czech Syndicate of Journalists who have been identified as agents of the State Security Corps [StB]. For reasons that are hard to comprehend, Petr Pithart promptly made public his acceptance of this intelligence information and thereby triggered another screening scandal. Even though this scandal germinated on Czech soil, there cannot be the least doubt that the FIS initiative has, above all, a highly topical Slovak dimension. A few days later Slovak Prime Minister Jan Carnogursky, too, received a list of 120 persons having the same diagnosis.

If Stefan Bacinsky claims in the Czech context that "some journalists have been misinforming and negatively influencing public opinion by their articles," his words are 10 times as true when they are applied to the Slovak context. For 2 years, a flood of national and social

demagoguery of a frequently undescribably unprofessional quality and content has been gushing forth from a section of the Bratislava media. The frequency and intensity of this production naturally vary from source to source but the resulting effect and the overall impression are frightening. One does not have to avail himself of the FIS intelligence apparatus to arrive at the conclusion that not only "a few journalists" are involved, as is the case in the Czech Republic, but that there evidently is a high concentration of individuals of this kind in the information media.

To be correctly understood—I do not claim that the number of journalists having the A-positive blood group [pun on the fact that these journalists have been positively screened as agents] is higher in Slovak than in Czech editorial offices—as a matter of fact, that is refuted by the figures that have been published, not only in absolute terms but also percentage wise. What matters, however, is that in Slovakia these A-category journalists display a demonstrably greater activity than their Czech colleagues. Adequate testimony of this is provided by the results of their "work." It is beyond dispute that the media as a whole has been playing at least the same role as the politicians themselves in the escalating nationalization of the Slovak scene and social awareness and in their marked drift to the left.

Those who think that I am exaggerating are profoundly mistaken. More than a year ago RESPEKT journalist Milan Zitny identified the chief commentator of a newspaper that is considered to be respectable in Slovakia as a trained misinformer and former StB collaborator. [The journalist is Igor Cibula, who writes for BRATISLAVA NARODNA OBRODA in Slovak.] Starting with the day when Meciar took up the office of prime minister, this man created for him a media background of the same value as the regular "Ten Minutes with the Prime Minister" on television. In his five commentaries a week, using the classical method of brainwashing, this man used propaganda to prepare the Slovak public for Meciar's power-sharing crusade. In a snowball effect, the world of his ideas and his vocabulary were assimilated by other media. It is easy to document and prove how he was preparing a suitable political climate for and favorable acceptance of Meciar's subsequent moves, which could often be anticipated in advance from the contents of his commentaries. A thorough analysis would demonstrate his part in the escalation of the nation's hysteria over the power-sharing issue and of its progressively intensifying pro-Meciar euphoria that directly led to the voters' great preference of the Movement for a Democratic Slovakia today.

The nature of the misinformation, half-truths, and outright stupidities that appear daily in the dailies' news columns and in a great number of their brainless commentaries does not always make it possible to determine what is consciously misleading and what is accounted for by the authors' intellectual deficits. With regard to some "personalities," however, the pursuit of the line of deliberate misinformation is impossible to overlook. Precisely therein lies the enormous value of the list compiled by Mr. Bacinsky's office. I am sure that an analysis of the "work" of the writing segment of the network of StB agents in Slovakia, even though only a part of it is organized in the syndicate, would be immensely interesting and would shed light on a great many things. It would immediately become more clearly apparent whence came so many patriotic Slovaks and fighters for social guarantees. No less interesting would be the numerical expression of the "density" of individual editorial staffs. After his first glance at the list of names, Jan Carnogursky was able to utter only three words: "I am shocked."

Naturally, the Slovak media's reaction to Pithart's "defusing of a time bomb," as he described his action, could not surprise anyone—it was summarily and sharply condemned. The condemnation was not directed against the Czech prime minister, as would have been logical, but against the FIS. The Slovak reservations and objections only imitated the arguments used in the protest notes of the Czech left wing. The testimony by one of the deputy chairmen of the Slovak Syndicate of Journalists—Jan Kamenisty from SMENA—is certainly worth noting in this context. A long time ago, while being received by Prime Minister Meciar, he asked whether journalists would be subjected to screenings. The main screener did not conceal his wealth of knowledge then: "It would not be wise of you to want it, there are among them (agents—author's note) many of your colleagues who have only recently been rehabilitated." It is typical that the dailies that took note of Kamenisty's interview for the Radio Journal left out this, by far most interesting, passage of the interview.

This episode prompts a brief comment. In connection with Bacinsky's list of agents, many speculations have appeared to the effect that this was an "attack on press freedom." This is unprecedented hypocrisy. Only people who are free can write freely. It is astounding that the "clean" majority of the journalistic community, instead of demanding unconditional purification within its own ranks, prefers the intensifying distrust of the profession as a whole and rejects blanket screenings of all members of the profession. After all, it must be clear to them that, unless those 262, respectively 120, names are published or unless they voluntarily depart, the shadow of suspicion, doubt, and distrust can fall upon every member of the journalistic community. How freely can those 120 agents, whose names Meciar keeps in his drawer, write? In whose favor are they likely to write? And what will happen to them once they start writing differently?

I really do not understand Prime Minister Pithart. I do not know how other prime ministers react when they receive top secret intelligence information, but I would swear by the life of my mother that they do not inform the public about it. His interview for the 22 April issue of MLADA FRONTA DNES on this topic is full of contradictions and absurdities. One can scarcely find a reasonable motive for Pithart's step, unless one concedes that

the commotion about the whole affair, about which he so complains in MLADA FRONTA and that he himself provoked, was the true purpose of that senseless undertaking.

Pithart greatly complicated the situation also for Jan Carnogursky, whose government will be quite needlessly exposed to a massive demagogic campaign by the affected journalists when deciding what to do with Bacinsky's list. Even though the Slovak Government is likely to advocate blanket publication, similarly to the Czech Government, one cannot expect any reasonable decisions from the Slovak National Council in its present composition. Unless the right wing wins the elections in Slovakia, agents in the editorial offices will have their jobs secured for life.

Slovak Prime Minister Presents Government Report

LD0405180392 Prague CSTK in English 1604 GMT 4 May 92

[Text] Bratislava May 4 (CSTK)—The Slovak Government's task in its current term of office (1990-1992) was to prepare conditions for reversing the catastrophic development of society which had been devastated by communist tales and pipe-dreams for forty years, Slovak Premier Jan Carnogursky said today.

Presenting a report on the implementation of the Slovak Government's programme to the Slovak National Council (Parliament), Carnogursky said the government's major goal was a comprehensive tranformation of the country.

"It was necessary to restore democratic structure, start a change of the centrally-controlled economy into a market one, and last but not least,to prepare conditions for restoring justice..." Carnogursky said.

He emphasised the extraordinary legislative activity of the government which in the period between July 1990 and March 1992 submitted 88 government bills to the Slovak National Council and helped prepare 170 bills for the Federal Assembly.

Carnogursky on Gabcikovo-Nagymaros Dam Project

LD0605141792 Prague CSTK in English 2156 GMT 5 May 92

[Text] Prague May 5 (CSTK)—Czechoslovakia and Hungary must come to an agreement on conditions proposed by the European Community (EC) before it helps iron out differences between the two countries on the controversial hydroelectric dam project at Gabcikovo, Slovak Premier Jan Carnogursky told CSTK after meeting with a high-level EC official today.

"It turns out Hungary and Czechoslovakia interpret differently three conditions of the EC", Carnogursky said after meeting with EC Commission Vice-President Frans Andriessen, who is in Prague attending a meeting of foreign ministers from Central European and EC countries. "However, the EC does not intend to be the arbiter of this disagreement", he added.

Two weeks ago Andriessen sent letters to the Czechoslovak and Hungarian governments on EC participation in solving the dispute.

Construction of the Gabcikovo-Nagymaros double dam project on the Danube was started in 1978. In 1989 Hungary halted construction of its part of the project due to environmental concerns, but Czechoslovakia has gone forward with building on its side of the Danube at Gabcikovo. Hungary is demanding Czechoslovakia halt all work on the project, fearing possible environmental damage.

Carnogursky said the EC can only draw up a commission of experts, who would submit a statement that could become the basis of a resolution of the disagreement. He said the main thing separating the two countries on the issue was their interpretation of the EC condition that during the time the commission is working, neither country may "take steps (on the project) which would predetermine possible measures connected with the conclusions of the commission".

"In our opinion, work on a temporary solution (of the project) does not predetermine a final result", Carnogursky said. But Hungary, he added, is demanding all work on the project be halted, including that of a temporary nature.

Carnogursky expressed doubt whether Hungary would accept a possible recommendation from the EC commission that the dam project be completed. He added that last year's decision by the Hungarian parliament to forbid the government from considering any solution other than the cancellation of the 1977 bilateral agreement on the project or the project's outright destruction, is still in force.

Western Slovakia Nuclear Plant Passes IAEA Tests

LD0605142292 Prague CSTK in English 2207 GMT 5 May 92

[Text] Bratislava May 5 (CSTK)—International Atomic Energy Agency (IAEA) experts today told CSTK the operation of the V-1 nuclear power plant at Jaslovske Bohunice, West Slovakia, is controllable.

At the close of the IAEA inspection, its experts said 81 measures taken by Czechoslovakia in January 1991 have ensured a safe operation of the nuclear plant. The application of the measures makes possible the operation of the plant's two units until 1995.

IAEA experts said the aim of their mission was to evaluate momentary safety at one of the plant's Vver 440 units and recommend its improvement with regard to specific conditions.

The plant equipped with obsolete Soviet-made reactors has been criticised by Austria which neighbours on Czechoslovakia.

General Labor Agreement for 1992 Signed

LD0105144992 Prague Stanice Ceskoslovensko Radio Network in Slovak 1600 GMT 30 Apr 92

[Text] Representatives of the Federal Tripartite [government, unions, and employers] signed the general agreement of the CSFR for 1992 at the Kolodeje chateau today. The agreement is the result of several months of talks. Petr Miller, federal minister of labor and social affairs, assesses it:

[Begin Miller recording in Czech] Everybody is right to a certain extent. On the one hand, there are people who strive to earn as much money as possible and, on the other hand, there is the government, which has to assume a macroview and say whether such a great sum of money is likely to have a damaging effect. We have to be aware of the fact that there is an enormous decline in the volume of industrial production and it could happen that demand might significantly outstrip supply. Who would gain in this situation? He who imports big quantities of foreign goods; and our people would spend their money on foreign goods and our enterprises would find themselves again in a position that we do not want to see them in.

My view is that at this point, all the social partners have sought very much to achieve some sort of agreement. We really have to point out one fundamental thing: In the event that the general agreement had not been signed—and this appeared possible for a long time—every trade unionist would ask himself whether it really matters whether the agreement is signed or not. In the event that the agreement would not have been signed—and despite this fact everything would have functioned normally—the economy would have functioned normally, collective wage agreements at enterprises would have been signed, and consequently every trade unionist would ask himself what is then the purpose of the general agreement. In this way, the role of trade unions would generally be questioned. And I think that trade unions became aware of this very early on. And the government side also wishes to have a partner that is strong, competent, well-educated, and able and prepared to discuss government proposals—even oppose them—on a certain level.

This has been improving lately, on the government's side, on the trade unions' side, as well as on the employers' side. [end recording]

Defense Minister Announces Army Cuts

AU0405131492 Prague CSTK in English 1817 GMT 30 Apr 92

[Text] Prague April 30 (CSTK)—Federal Defense Minister Lubos Dobrovsky today announced that the Czechoslovak Army will continue to reduce the number of its troops after basic military service is cut from 18 to 12 months in 1993. By 1997, the Army should have 90,000 to 100,000 troops.

Over the last two years, the number of troops has been reduced from 180,000 to the current 135,000, he told a press conference.

Interior Ministry Issues Report on StB Crimes

AU0605132792 Prague CSTK in English 1412 GMT 4 May 92

[Text] Prague May 4 (CSTK)— Crimes committed by Secret Police (StB) members during investigations held in the first years of communist rule in Czechoslovakia cannot be punished as the statute of limitations has already expired, the Czechoslovak Interior Ministry said in a report made available to journalists today.

The report includes information on brutal acts committed by StB members from 1948 to 1955, and on the trial of Rudolf Slansky, head of the Czechoslovak Communist Party from 1945-1951, who was executed in 1952.

Civic Forum Officially Ceases To Exist

AU0605094092 Prague LIDOVE NOVINY in Czech 1 May 92 p 2

[Unattributed report: "Civic Forum: End of One Epoch"]

[Excerpt] Prague—Vojtech Sedlacek, statutory representative of the Civic Forum [OF], yesterday submitted to the Czech Republic Ministry of Interior the proposal for the OF's deletion from the list of political parties and movements. According to a Czechoslovak Television report, "a few signatures and rubberstamps thus put an end to one stage in Czechoslovak history." The OF was founded on 19 November 1989 as a broad civic movement. It was the force that brought about the defeat of the totalitarian regime in the Czech Republic, which foreign journalists labelled as the "velvet revolution." [passage omitted]

Friendship Treaty With Poland Comes Into Effect

AU0605133492 Prague CSTK in English 1625 GMT 4 May 92

[Text] Prague May 4 (CSTK)— The Czechoslovak-Polish friendship treaty came into force today with the exchange of the letters of ratification by Czechoslovak Deputy Premier and Foreign Minister Jiri Dienstbier and Poland's ambassador to Czechoslovakia, Jacek Baluch.

The Treaty on Good-Neighbor Relations, Solidarity and Friendly Cooperation was signed by Czechoslovak President Vaclav Havel and Poland's President Lech Walesa

on October 6, 1991 in Krakow, Poland. The treaty was ratified by the Czechoslovak parliament on March 5, 1992.

Prime Minister on South African Trade Relations

AU0505202792 Prague HOSPODARSKE NOVINY in Czech 30 Apr 92 p 1

[Interview with Federal Prime Minister Marian Calfa by Martin Jankovec; place and date not given: "A Breakthrough in Relations"]

[Text] Prime Minister Marian Calfa will fly to South Africa on an official visit on 1 May and will become the most senior Czechoslovak official to visit this country in the history of our bilateral relations. He granted an interview to HOSPODARSKE NOVINY and CSTK prior to his departure.

"We would like to make a fundamental breakthrough by this visit and to assess what has gradually been prepared by 2 years of laying the foundations for the development of cooperation with South Africa. It is an important country, particularly in view of its economic status and its huge mineral reserves," said M. Calfa. During the interview, he replied to the following questions from our newspaper:

[Jankovec] From an economic point of view, the CSFR and South Africa are considered to be ideal partners. The prerequisites exist for developing economic cooperation on a more equal basis than with certain economic giants. Does the course of bilateral cooperation to date correspond to the opportunities?

[Calfa] The volume of trade during 1991 reached almost $10 million, which is a considerable jump in comparison to the past. First of all, we have to get to know each other and learn to communicate. We import raw materials from South Africa and we are mainly penetrating its market with our engineering products. I agree that our countries' economies complement each other, although not completely. South Africa reacted to the long-term embargo by creating an infrastructure that made it self-sufficient. The removal of the embargo following the abolition of apartheid implies an aggressive intervention in this infrastructure, an infrastructure created during years of isolation. There will have to be some restructuring when certain production is discontinued under pressure from foreign competition and in free competition.

[Jankovec] Czechoslovakia was granted most-favored-nation status within the framework of the trade agreement signed last September. This facilitated customs-free imports. Will the tariffs that continue to burden imported Czechoslovak goods also be reduced?

[Calfa] By conferring most-favored-nation status on us South Africa granted us unilateral non-reciprocal benefits in the sense that it reduced customs duties and considerably lowered import surcharges by 15-50 percent. This involved an imbalance in our favor. We see this as a certain gesture of gratitude for our course of action and as appreciation for the rapid development of commercial relations.

[Jankovec] Prior to South African President Frederik de Klerk's visit to Czechoslovakia, South African diplomatic sources referred to the possibility of cooperation in converting the arms industry, an industry that is highly developed in South Africa. Is there, for example, a possibility that our workers in this industry could be employed in South Africa?

[Calfa] South Africa is undergoing its second year of recession. This means that what applied in previous decades, that is, free scope for the influx of labor, has ceased to apply now. However, there is still a need to employ specialists in certain spheres. For example, there is interest in agricultural and health care workers. Labor and Social Affairs Minister Petr Miller, who will also visit South Africa, could look into this.

As far as conversion is concerned, there are some possibilities for involving our specialists. South Africa is extremely interested in cooperation in manufacturing sporting and transport aircraft.

[Jankovec] What kind of scope has been created for forging links between our private sector and partners in South Africa? Will private businessmen also be represented in your entourage?

[Calfa] Almost 50 businessmen, among them many representatives of private firms, will fly to South Africa with me. All of them already have specific contacts in South Africa and I do not doubt—knowing the quality of our businessmen—they are well prepared for their negotiations. I am doing what I can by taking them to South Africa. Of course, it is up to them how they conduct themselves there.

Antall on Parliamentary Parties' Differences

LD0205213892 Budapest MTI in English 1855 GMT 2 May 92

[Text] Budapest, May 2 (MTI)—"The country and parliament have been given a historic opportunity for conversion. We did not expect praise, only recognition for our efforts. We did not get it, and public life has roughened. Political squabbling has sunk to the level of tribal wars in many respects," Prime Minister Jozsef Antall says in an interview with the May 2 issue of "NEPSZABADSAG".

"There are vast differences of views between the parliamentary parties. Apart from a few basic questions, opinions differ at nearly all points.... Even so, it is necessary to reach consensus and find a way out which leads to progress.

"I am convinced that there are 30-40 people in the leadership of the parliamentary parties who play not for the public and know exactly which questions need to be agreed upon the soonest possible and what dangers are hidden in dissent.

"Parliamentary and democratic forces should be in agreement as to the fundamental norms, such as democracy, law-governed state, welfare market economy and appropriate representation. We ought to be united in our judgement of Hungarians beyond the border, the relations with them and the neighbouring countries. There are questions affecting the whole nation where agreement is imperative regardless of party affiliation.

"I know good many politicians in parliamentary parties divided by severe conflicts who may find it easier to come to terms with each other than with the extremists of their own party.

"I see hope for a more extensive political dialogue and even for cooperation between opposing political forces in matters of prime importance," the prime minister said.

Minister Kadar Reviews Economic Issues

AU0505153192 Budapest NEPSZABADSAG in Hungarian 30 Apr 92 p 9

[Interview with Bela Kadar, minister for international economic relations, by Peter Dunai; place and date not given: "Some of the Entrepreneurs Evade Taxes—Bela Kadar on Deficit, World Expo, and Bekescsaba"]

[Text] [Dunai] The economic problems and the much larger than expected budget deficit raises the question whether the government strategy should be reassessed

[Kadar] Both in 1990 and 1991, I aired my views in the budget debates, namely that we should consider within what kind of economic policy or national development strategy the budget has to be drawn up because that is done on the short term. If it determines the economic policy....

[Dunai] Then economic policy becomes subordinate to momentary interests....

[Kadar] Which means the short-term victory as opposed to medium and long-term considerations. We will receive a bizarre answer because we can hardly talk about development strategy if the economic policy is determined by the budget. Naturally, every country has its own way of shaping relations between the budget, monetary policy, foreign economic relations, and institutional policy. In hard times—not to use a stronger expressions—in a social market economy, social policy gains greater value. In Hungary, the proportion of so-called incomes coming from welfare policy is extremely high within the general incomes of the population.

[Dunai] Does this mean that, in your view, the way out of the budget misery leads through a reduction of welfare policy spending?

[Kadar] No, what I am saying is that this income structure evolved here, in the lower stratum of countries developed to a medium level. Rather than reducing it, we should improve its efficiency. If decline and lowering production characterize the real sphere of economy instead of an ability to grow, then the budget revenue decreases and unemployment increases, in other words, welfare expenditure increases. In a contracting economy, there is no possibility to raise the level of welfare provisions, and there is not enough money for technical improvements, education, investments, or defense. Amid decreasing incomes, we must try to improve efficiency. This is one of the possible ways. The other is to assist the growth processes in the economy.

[Dunai] What is hindering these? Is it the slow privatization or the hesitation of foreign capital?

[Kadar] I do not believe in the fetish of property. Although the last 70 years proved that private ownership operates the capital more efficiently, I admit that the suitable proportion of (private and state) property is different in every country. While the income from investments is low, fewer than necessary Hungarian and foreign people are willing to invest. In the past 40 years in developed states, capital investment incomes reached an average 12 percent a year. In Hungary, this figure is lower than the international average. Nevertheless, the amount of foreign investments reached $1.4 billion—4 percent of the gross domestic product [GDP]—in 1991, which is a good average result.

[Dunai] However, foreign capital has been invested in small enterprises performing intermediary activities, which is a negative phenomenon.

[Kadar] An ultra-liberal view has been prevailing, even in government circles, which said that it does not matter where the capital goes. This is not right, and it is an incorrect attitude. Whether the foreign capital is used to open a small fashion shop or build a modern tool-engineering assembly line makes a lot of difference in the development of the Hungarian economic environment. In addition to this, it is

a basic interest of foreign economic relations not to have high entrepreneurial profit tax or personal tax, because these increase the expenses and reduce Hungary's international competitiveness.

[Dunai] Nevertheless, the tax burden in Hungary is considerably higher than in Western Europe....

[Kadar] It will be possible to reduce them when the conditions are right. Actually, one of the reasons for the high tax burden is that some of the entrepreneurs evade taxation. Ultimately, this hurts the law-abiding taxpayers. We would need a greater financial discipline and mechanisms that reduce the chances of tax evasion. If the tax policy targets the spending of the incomes (as is done in Western Europe) rather than their production, then there is smaller chance for evasion.

[Dunai] How tragic is the budget deficit?

[Kadar] The fact that it is high is not the reason for its being tragic. I have never believed that we could go through modernization and the change of the regime with a budget deficit 2 to 3 percent of the GDP. In Western Europe, even in the healthy market economies, the budget deficit reaches 4 to 6 or 7 percent of the GDP. Rather than the size of the amount, the important thing is whether it promotes growth or is a result of decline. If it is the latter, then that is a big problem. In other words, technically, it is possible to have even a 100-billion-forint deficit without problems (naturally, it is better not to have this) because it represents 3 to 4 percent of the GDP, therefore, it is below the critical mark. If the population's saving ability remains favorable, it will be possible to rebalance the budget through issuing bonds and taking up foreign loans, and in this case even the short-term treatment of the symptoms may be successful. Let us not forget about the reserves hidden in strengthening the financial discipline. However, the main point is to heal the long-lasting illness, namely the recession and unsatisfactory ability to grow that resulted from the prolonged outdated structure and the eastern crisis. In other words, we must unfold the economy's income-producing ability and promote the enterprises through savings, investments, and exports. I expect more than 10-percent export growth in 1992.

Most of the economic diplomacy conditions of an export-led growth course have already been established, and we are beyond the most trying sections of the change of markets, liberalization, and structural reforms of international economic relations. Rather than having problems with the markets for our goods, we mainly have problems with the quality, the domestic product base, and the behavior and discipline of suppliers, which is mandatory in a competitive society.

[Dunai] Will the World Expo help solve these problems? At what level do you estimate the domestic and foreign capital that is to be mobilized?

[Kadar] We can spend some $1.2-1.5 billion on infrastructure that can be built from domestic and, on a concession basis, foreign capital. The Expo in Hungary will mobilize some $500-800 million of domestic and foreign entrepreneurs. The big business decisions are expected to be made within six months now. The reorganization plan of the town will probably be ready by the end of May.

[Dunai] You have made it your goal to become a parliamentary deputy. Will you change over to the risky field of politics from the economic field?

[Kadar] I do not want to be purely a politician. All I promised was that I would directly serve the development of Bekescsaba [town in southeast Hungary] in the coming two years.

[Dunai] People in Bekescsaba will have an influential patron who has good domestic and foreign contacts....

[kadar] Promising money from the government is not a task of a patron. I am offering my experiences to help start to revive a county that is experiencing one of the worst situations in Hungary.

Minister Returns From Australia, New Zealand

LD0205094192 Budapest MTI in English 1654 GMT 1 May 92

[Text] Budapest, May 1 (MTI)—"Hungary might become the agricultural mainstay in Europe for Australia and New Zealand east- and westward alike, provided that relations can be intensified. There is a good chance for this," Hungarian Minister of Agriculture Elemer Gergatz said today at Ferihegy Airport after returning from his official trips to Australia and New Zealand.

The minister pointed out that Hungarian agriculture may benefit a great deal from transfers of experience in agrarian policy management.

Gergatz said his negotiating partners called for developing economic and scientific links and setting up joint ventures.

The idea of producing the world-famous Hungarian pick salami in the two countries also came up during the talks.

Walesa To Address Nation, Sejm in 'Near Future'

LD0505174392 Warsaw PAP in English 1657 GMT 5 May 92

[Text] Warsaw, May 5—President Lech Walesa announced that he would be making two statements, one to the Sejm (lower house) and one to the nation in the near future. He was speaking to the staff of Radio Free Europe on Tuesday [5 May].

Walesa explained that he will urge MPs [members of parliament] to be more efficient in government and in parliamentary work. A "small constitution" was necessary, he said.

The president added that in his state of the nation address he would talk about privatisation and the need for communities to watch over their local authorities.

Later on Tuesday he told journalists that the statement to the nation was necessary because "we lack effective government". Walesa added that he would not allow the dissolution of parliament but that the president must be more involved in the executive.

Walesa did not exclude the creation of a supra-party grouping made up of intelligent people of recognised authority. Such a body was necessary "to create order in national and state affairs in the mass media," the president said.

Asked whether a presidential party was necessary Walesa replied "I think I can make do without such a party". He added that if that did not succeed he would be forced to organise a presidential party which would be the biggest yet. Nevertheless he said that the president should be above party politics.

Walesa thought that the government had not attained the minimum which he had set before it, namely the creation of a legislative structure for the Polish Republic. However, he added that it was difficult to judge the government after such a short time.

According to parliamentary sources the speech to the Sejm was expected to take place on Thursday [7 May] at the earliest.

Walesa Receives Radio Free Europe Delegation

LD0505170792 Warsaw Radio Warszawa Network in Polish 1600 GMT 5 May 92

[Text] In connection with the celebrations of the 40th anniversary of the Polish section of Radio Free Europe, President Lech Walesa received a delegation of employees from this radio station. The president thanked them for taking up subjects and undertaking actions which made it possible for democracy to win in Poland. He stressed that the continued existence of the radio and its coverage of Polish issues is necessary.

Within the framework of the celebrations of the 40th anniversary of the Polish section of the Radio Free Europe, a symposium at Warsaw University was held on the role of the media in the creation of democracy. Malcolm [name indistinct], chairman of the Board of the International Committee for Radio, stressed the role of the mass media in the creation of democratic structures.

On the other hand, the long-serving director of the Polish Section of Radio Free Europe, Jan Nowak-Jezioranski, presented the circumstances of its founding and main programmatic assumptions.

Generals in Trouble for Destroying Party Files

AU0505112892 Warsaw GAZETA WYBORCZA in Polish 30 Apr-1 May 92 p 1

[Jerzy Jachowicz report: "Jaruzelski and Kiszczak before the State Tribunal?"]

[Text] The prosecutor's office wants Generals Jaruzelski and Kiszczak to face the State Tribunal for destroying in December 1989 the minutes of PZPR [Polish United Workers Party] Politburo sessions from 1982 and 1989. The prosecutor's office claims that by doing so, Jaruzelski, who was president at the time, and Kiszczak, interior minister, committed an offense that is punishable by up to three years imprisonment.

General Jaruzelski told GAZETA that he indeed agreed to the destruction of the documents, but added that the prosecutor's office has not given him an opportunity to explain himself.

"On Wednesday [29 April] I conveyed to the Constitutional Tribunal a petition to summon before the State Tribunal General Wojciech Jaruzelski for ordering the destruction of the transcripts of PZPR Politburo sessions, and General Czeslaw Kiszczak for assisting in their destruction," Justice Minister Zbigniew Dyka told GAZETA Wednesday.

The minister could not convey his petition directly to the State Tribunal because the 1982 State Tribunal Act does not permit this. Therefore he did so via the Constitutional Tribunal, which will pass the petition to the Sejm Presidium. The Sejm itself will vote on what happens next.

Justice Ministry Spokesman Andrzej Cubala told GAZETA: "The prosecutor's office's charge against General Jaruzelski is that, as president of the Polish People's Republic, he issued an order to General Czeslaw Kiszczak in December 1989 to withdraw from the archives of the Polish Army General Staff 287 files containing the transcripts of PZPR Politburo sessions and subsequently to destroy them, which was duly carried out on 20 December 1989 at the Warsaw Paper Plant in Konstancin-Jeziorno."

According to the prosecutor's office, General Jaruzelski committed an offense under Article 268 of the criminal code, which carries a punishment of up to three months in prison. "Whoever destroys, damages, or removes

documents over which he has no exclusive rights is punishable by a prison term ranging from three months to three years," says the relevant article.

General Kiszczak carried out the president's instructions, says the prosecutor's office. He passed on Jaruzelski's instructions to his subordinates, for which the punishment is the same.

The prosecutor's office also claims the generals broke the 1983 law on national archival material. They destroyed documents that should have been "preserved in perpetuity" on account of their value in researching Polish history.

In an interview with GAZETA, General Jaruzelski did admit he had okayed the destruction of the party documents, but added that he did not commence their destruction.

He claims the prosecutor's office "did no give him an opportunity" to explain. "If the prosecutor had wanted to talk to me, this business might have been avoided," he said.

Jaruzelski Takes Responsibility

AU0505111892 Warsaw GAZETA WYBORCZA in Polish 30 Apr-1 May 92 p 2

[Interview with General Wojciech Jaruzelski by Jaroslaw Kurski; place and date not given: "I Agreed, But I Take The Responsibility"]

[Text] [Kurski] What do you say to the prosecutor general's decision to indict you for ordering the destruction of the transcripts of Polish United Workers Party [PZPR] Politburo sessions from 1982 to 1989?

[Jaruzelski] The prosecutor's conduct is incomprehensible. He conveyed the matter to the Constitutional Tribunal, yet he did not think it worth questioning me, or at least obtaining my opinion. The same thing happened when my responsibility for martial law was examined; I was not questioned then either. The Sejm did not wish to hear my arguments. It passed a resolution and pronounced a kind of political sentence on me.

The destruction of the documents occurred a long time ago. I think the reason that the issue is being raised now is that my Paris trip was too successful [Jaruzelski went to Paris to promote his memoirs].

[Kurski] So you think the prosecutor's decision has political motives behind it?

[Jaruzelski] I am entitled to believe so because I have not been given any opportunity to explain, and the matter has been amplified all over Poland.

[Kurski] So you have not been questioned either as a witness or as a suspect?

[Jaruzelski] Of course not.

[Kurski] Are the prosecutor general's accusations against you genuine?

[Jaruzelski] That depends on how one evaluates the destroyed material and my powers. I have a lot of arguments that would explain and justify my conduct, but I have not been given any opportunity of presenting them. If the prosecutor had wanted to talk to me, this business might have been avoided.

[Kurski] I understand you admit to have issued such an order.

[Jaruzelski] Yes, of course. I did agree to the implementation of this action.

[Kurski] And whose idea was it?

[Jaruzelski] That I will not say. It is not my custom to reveal other people when I myself shoulder the responsibility. I have already done so for many other matters, so I will do so this time as well, because I expressed my agreement. When making my decision, I obtained the opinion of my colleagues and fellow Politburo members, who said the action was justified.

[Kurski] Justified, but was it also in accordance with the law?

[Jaruzelski] It was in accordance with the regulations. That was made clear to me.

[Kurski] So what do you intend to do now?

[Jaruzelski] I will wait patiently for whatever happens next. I think there really is a big demand to cause me trouble. I think this demand is going to increase.

Lists of Security Service Collaborators Ready

AU0605100892 Warsaw ZYCIE WARSZAWY in Polish 2-3 May 92 p 1

["yank"-signed report: "Lists of Security Service Agents Are Ready"]

[Text] Speaking on the television "Panorama" program, Antoni Macierewicz, the head of the Ministry of Internal Affairs, said that the Ministry of Internal Affairs has already prepared documents concerning persons who collaborated with the former Security Service. He maintains that before the 1991 elections, when the Bielecki government was in power, the Ministry of Internal Affairs drew up a list of parliamentary candidates that took account of the possibility that they had cooperated with the Security Service. This is denied by Henry Majewski, who was the minister of internal affairs at that time.

Speaking on "Panorama," Minister Macierewicz said: "The work that I started on taking over the Ministry of Internal Affairs, work aimed at making possible to determine whether someone did indeed cooperate with the Security Service, has essentially been completed." He said that he was positively surprised that compared to

the former GDR, only a few, narrow groups in society cooperated with the Security Service.

The minister stated that the ministry has prepared a package of three laws that will "once and for all resolve issues connected with the past and the repressive and totalitarian character of the Polish People's Republic."

The first of these, a law on state secrecy, has already been approved by the Council of Ministers and will shortly be considered by Sejm commissions.

The second law concerns the need to screen legislative, judicial, and executive bodies from the angle of possible cooperation with the Security Service on the part of persons occupying high office.

The third law is similar to the vetting laws that are being implemented in the former GDR and Czechoslovakia. It is to effect the removal for a period of time "from office in the independent republic of persons involved in the repressive and ideological apparatus of the communist state."

Minister Macierewicz stated that persons who fail the vetting procedure should resign from their posts of their own accord without informing public opinion. Society should only be informed should they not wish to go and that would be done by a Sejm commission especially formed for that purpose.

Deputies Were Already Checked in 1989 and 1991

The head of the Ministry of Internal Affairs also stated that before that 1989 Sejm and Senate elections, the Ministry of Internal Affairs drew up a list of candidates with respect to possible cooperation with the Security Service. According to Macierewicz this occurred once again under the Bielecki government before the 1991 elections, when the Ministry of Internal Affairs also drew up a list of candidates of this kind.

We asked the head of the Ministry of Internal Affairs in the Bielecki government to comment on this. Majewski said: "I have heard about this for the first time from Minister Macierewicz. I never issued instructions to produce such lists and I was not interested in the files of individual candidates for deputies and senators. I can say authoritatively that this untrue. I also know nothing about similar lists having been produced in 1989."

Minister Macierewicz also commented on an interview with Artur Balazs (ZYCIE WARSZAWY of 30 April). "I can categorically state that neither Prime Minister Olszewski's government or the Ministry of Internal Affairs bases its activities or intends to undertake any activities aimed at compromising anyone involved in the political contest."

Balazs Voices Concern Over Files

AU0505174992 Warsaw ZYCIE WARSZAWY in Polish 30 Apr-1 May 92 p 2

[Interview with Artur Balazs, former minister without portfolio in the Olszewski government, by Igor Janke and Jerzy Wysocki; place and date not given: "The Battle Becomes More Vicious"]

[Excerpts] [ZYCIE WARSZAWY] Minister Macierewicz has expressed his indignation at the statement you made to Radio Free Europe in which you did not discount the possibility that in the political battle that is in progress, the Ministry of Internal Affairs will make use of Security Service files containing compromising material on "minor coalition" politicians.

[Balazs] That is what the question suggested. However, what I expressed was the fear that the political battle is becoming so vicious that various methods may be employed in it. There is also a a personal dimension to this concerning myself.

[ZYCIE WARSZAWY] Are you suggesting this on the basis of your observations of the political activities being conducted by members of the present cabinet and at the time when you were a member of that cabinet?

[Balazs] No, I cannot say that. However, now that I am no longer in the government, I have observed certain nervous moves on the part of government circles. One can clearly see that certain persons who are closely connected with the government are seeking to act in an atypical manner and are trying to exert pressure.

[ZYCIE WARSZAWY] On you?

[Balazs] Yes. [passage omitted]

[ZYCIE WARSZAWY] In your opinion, in this political contest that is currently in progress, could the Office for the Defense of the State be used as a tool?

[Balazs] That is a question that should be answered by Minister Macierewicz, who has caused all this commotion. His hysterical reaction today to my interview for Radio Free Europe (in which I only talked about certain dangers and did not blame anyone) can be said to show that there is something wrong about this entire affair. It would seem to me that it would be more appropriate for the minister of internal affairs to ask me what the point at issue is and to try to explain what has prompted such views. On the other hand, I find Minister Macierewicz's sharp reaction disturbing.

[ZYCIE WARSZAWY] It is being charged that the Ministry of Internal Affairs wants to use former Security Service files. In light of that, do you believe that the issue of Security Service files should be closed once and for all and should not be revived again?

[Balazs] The issue is an exceptionally complex one. On the one hand, it could indeed be used in a vicious political battle. However, on the other hand, there is a

real danger that—and I know this as someone who during martial law dealt with union security when the union went underground—today there are people aspiring to public office whose loyalty to the political system that emerged following the collapse of communism cannot be fully guaranteed.

There is another aspect to the issue: The Security Service foresaw the course that events would take and it did falsify material. All these aspects have to be considered in finding a sensible solution.

Commission Reports Findings on 'Parys Affair'

AU0605100492 Warsaw GAZETA WYBORCZA in Polish 2-3 May 92 p 3

[Jerzy Jachowicz report: "Government Commission Does Not Censure Minister"]

[Text] The government commission that is to explain the "Parys affair" completed its work a week ago and has decided, contrary to what was initially announced, not to reveal the content of its final report to public opinion. However, GAZETA has managed to familiarize itself with the content of the report, which was discussed on Thursday [30 April] at a meeting of an extraordinary Sejm commission that was established on the president's initiative. This, the second commission to be examining the "Parys affair" is planning to complete its investigation by the end of May.

The government commission report states that Minister Parys explained that since the beginning of January, the president had been urging him to remove the majority persons occupying senior post in the military and to replace the head of the General Staff. Parys said that he found out that several parliamentarians were maintaining contacts with the military. He did not actually know what they discussed, but he sent a letter to the Sejm and Senate marshals asking them "to restrict meetings held by parliamentarians in units."

Minister Parys told the commission that even when confidential matters were being discussed, he did not have an opportunity to speak to the president on a one-to-one basis. Every such meeting was attended by the ministers Mieczyslaw Wachowski and Andrzej Drzycimski as well as Father Cybula. Jan Parys said that from the beginning of March, "the president's entourage" broke off direct contacts between the Ministry of National Defense and the president.

Deputy Minister Szeremietiew said that Jerzy Milewski had exceeded his powers and in addition to the meeting with General Wilecki, the head of the National Security Bureau sent a letter to the British ambassador in Warsaw contain suggestions regarding the gathering and setting in order of material belonging to the former government in exile. Szeremietiew deemed it inappropriate that the previous head of military intelligence services, Admiral Czeslaw Wawrzyniak should constantly send reports to Milewski.

In its findings, the commission determined that the passage in Parys's speech that "the Polish Army will not assist anyone who wants to destroy democracy in Poland" referred not to the present, but to the past. Nevertheless, the commission deemed the speech in its entirety, particularly certain passages and suppositions "too far-reaching."

The report also points out that no parliamentarian had conducted talks that "would be incompatible with the raison d'etat and the interests of the Army."

The report states that a comparison of reports published by newspapers and what Minister Parys actually said indicates that the sense of his speech was distorted in numerous ways.

The chairman of the Senate National Defense Commission, Zbigniew Komorowski, submitted a dissenting view. In statement to GAZETA, he said that the findings do not indicate the true causes of the conflict. In his view, there was a lack of goodwill on the part of both sides, the Belvedere and the government. None of the personnel changes instituted by the ministry during the period in question were consulted with the president. Komorowski states that although there are regulations requiring the president to be informed about everything, the prime minister could have advised the minister to apprise the president of important changes.

Left-Wing Party Chief Critical of Solidarity Camp

AU0505175592 Warsaw TRYBUNA in Polish 30 Apr-3 May 92 pp 1, 2

[Interview with Aleksander Kwasniewski, chairman of the Social Democratic Party of the Republic of Poland, by Ewa Rosolak; place and date not given: "A Ripe Alternative"]

[Excerpt] [Passage omitted] [Rosolak] Our democratic system is still immature, even after all these years.

[Kwasniewski] Unfortunately, I have a very critical view of the entire Solidarity camp which, embroiled in a struggle for power, has completely forgotten the values it struggled for, or has always treated these values too flippantly and regarded them as the means to an end. The situation could develop very unfavorably, but I am sure that as long as democratic procedures apply, the average citizen may exert influence over them. One must remember that the influence of each party depends on the social support it has.

Today the left wing, represented by 60 deputies and four senators, constitutes 13 percent of the Sejm's voting power. Assuming our deputies command good influence, one can add another 2 or 3 percent to this figure. That is far too little to effectively influence legislation. There is only one conclusion—no one must isolate himself, wave his hand and run away. He should align himself with the political force that he accepts.

I am sure that for many Poles, the Social Democratic Party of the Republic of Poland and the Alliance of the Democratic Left is such a force. It would be good if we could convince each other that our social support is increasing and that after the local government, and later the parliamentary, elections we can effectively defend that which is common to all of us, in other words the welfare of working people and an alternative program of Poland's economic and political development at the end of the 20th century.

Television News Agency Chief Dismisses Staff

AU0605101292 Warsaw GAZETA WYBORCZA in Polish 2-3 May 92 p 3

[Piotr Najsztub report: "Dismiss All To Employ Some"]

[Excerpts] On 30 April, the head of the Television Information Agency signed notices of dismissal to be issued to all journalists employed by the Television Information Agency. Within one month, he will decided who will be offered the possibility of returning to work for the agency. Only the heads of television "News" and "Panorama" and the foreign news editorial board of the Television Information Agency did not receive notices of dismissal.

The official reason for the dismissals is the disbanding of the Radio and Television Committee, which necessitates the signing of new contracts of employment. However, according to some journalists, Terentiew is concerned to see the removal of certain persons from news programs. All technical employees were also issued with notices of dismissal, but the head of the Television Information Agency immediately signed new contracts of employment with them.

A Television Information Agency journalist who wished to remain anonymous told us: "Over the next month, everyone will be very careful not to step out of line and do something 'anti-government,' but many are confused, because if the Olszewski government collapses within the next two weeks, then might it not be better to wager on the Belvedere?" [passage omitted]

Robert Terentiew is identified with the pro-government camp in the Polish television network—one reason is that he cooperates closely with the prime minister's adviser Krzysztof Wyszkowski. Thus, one can expect that the journalist who will leave will be primarily those have incurred the displeasure of Prime Minister Jan Olszewski or one of his ministers. [passage omitted].

Media Official Favors Politically Neutral Television

AU0605114692 Warsaw ZYCIE WARSZAWY in Polish 28 Apr 92 p 2

[Interview with Jan Purzycki, deputy chairman of the Radio and Television Committee, by Igor Janke; place and date not given: "Our Hands Are Stuck In the Door"]

[Text] Jan Purzycki, deputy chairman of the Radio and Television Committee and head of television, was invited to the Belvedere by the president on Monday [25 April]. After his visit ZYCIE asked him about the situation in which television has found itself.

[Janke] People say that your visit to the Belvedere was linked to the continuing dispute between the government and president and with the government's plan to fire the Radio and Television Committee leadership and television management.

[Purzycki] I have also heard these rumors, but officially I know nothing about any government moves vis-a-vis the committee, so there is nothing I can say. I spoke to the president about the reforms to television, and he confirmed that he wants television to be independent of all political forces. He did not expect us in the committee to support the Belvedere in this dispute, but he did say that television should not favor any particular political option.

[Janke] Do you think Prime Minister Olszewski has the same opinion about television's role?

[Purzycki] Yes, my impression is that he too wants television to be independent.

[Janke] But we have heard of government spokesman Marcin Gugulski's attempt to interfere with television. He tried to influence the content of current affairs programs, for example on the subject of the Parys affair.

[Purzycki] I have never heard that from anyone except you. The Television Information Agency and Government Press Office are in constant touch with each other. Naturally we must be kept informed about the government's work and intentions, but I have never heard of the government actually deciding what should appear in a current affairs program.

[Janke] It is becoming increasingly apparent that the Radio and Television Committee leadership is caught between the hammer and the anvil. The two most important forces—the government and the Belvedere—treat television as a tool of politics. It is said that the television management is forced to run from one telephone to another.

[Purzycki] Indeed this is a difficult time for television. Someone has said that our hands are stuck in the door, and that is an appropriate metaphor. Under such difficult conditions, one can check whether television is capable of preserving its objectivity. There does not seem to be any tendency to sympathize with any group. Any impression to the contrary is solely the result of the lack of competence or experience of some young correspondents in the current affairs unit.

[Janke] By inviting you to the Belvedere, the president has made it look as if he wants to unfurl a protective umbrella over the Radio and Television Committee. It looks like a show of strength. Do you think the prime minister will issue you with a similar invitation?

[Purzycki] It is hard to say. But I can tell you that television is not going to pursue any politics, and it will not be party to any dispute between politicians. We will do our utmost to remain neutral, but there are about 1,000 reporters working in television, and I do not know whether they all think the way I do.

During my three months at this post, many of my colleagues have convinced themselves that my desire to create a public television service devoid of political views has been confirmed, evidence of which are the crazy attempts to protect television against various kinds of pressure.

[Janke] What kind of pressure on television could possibly require crazy attempts to protect it?

[Purzycki] There have been various attempts, but I do not wish to discuss them. Television is a juicy morsel for everyone. Everyone would like to appear in it and have a guaranteed slot. That applies to very many political forces.

Stolojan Delivers Statement on Economic Issues

AU0505151592 Bucharest Radio Romania Network in Romanian 1100 GMT 5 May 92

[Statement by Prime Minister Theodor Stolojan at a meeting with Romanian and foreign correspondents specializing in economic issues, at Victoria Palace in Bucharest on 5 May—recorded]

[Text] I would like to stress the fact that the agreements that we have concluded with the International Monetary Fund and with the World Bank and that are going to be submitted for approval to the boards of directors of the respective institutions at the end of May are agreements that have been prepared here in Romania for a few months. If you take a look at the activity of the government and of the ministers, starting at the end of last year, you will see that constantly, month by month, talks have been held either with the IMF or with the World Bank, and these agreements have been prepared by each ministry for the field of which they are in charge. You will also see that a great deal of this work was carried out at the National Bank or even at the seat of government, when there was a need to correlate—so to say—various policies and policies that inherently contradict each other from the viewpoint of the interest of certain departments.

Second, also regarding these agreements: This time they form a unitary whole, and this represents also a sort of [changes thought], I mean, for quite a while there has been this custom of approaching issues within the two international financial institutions, but it is the first time this approach is being used in our country. It is the first time that we are faced with this fact of [changes thought] thus, as a matter of fact, the two agreements make up a unitary whole, namely the agreement with the IMF first focuses on economic stability and the need to overcome problems caused by the hard currency deficit of the current balance of payments while the agreement with the World Bank focuses on issues of structural reform—that is, the restructuring of the real economic system, reconstructing enterprises, economic branches, and others areas. Therefore, as you can see, the examination of these issues by the board of the two institutions takes place at a one-day interval according to the latest information, namely, on 28 May the World Bank board will examine the SAL [structural adjustment loan] agreement and, if I remember correctly, the agreement with the IMF is planned for 29 May.

As a matter of fact, these agreements are concluded on the basis of the reform program worked out by the Romanian Government and represent the continuation of reform in Romania. This offers nothing new if we compare it to what we wanted to accomplish here.

For those who are curious about it and those who carefully follow the activity of the government, I could mention that our report to the 17 February conference—if you remember, it was a trade union conference, during which the trade unions at that time requested us to present the view of the government as far as the reform is concerned—includes the majority of the issues that are the subject of the agreements with the IMF and the World Bank today. If in the meantime nobody has changed the initial report on this program, this is more or less what appears in these agreements.

What did I want to stress here? That we should completely reject these statements that are made—I must admit, very few people—because they are not a novelty for Romania. Such things were also practiced in the past, that is, to subdue the country's interests to the whims of the IMF, of the International Bank for Reconstruction and Development [IBRD], or other bodies. Certainly, we are not talking about anything like that. Thus, I want to repeat that these agreements were not concluded in haste or in one place. Each area of policy was worked out with the direct participation of the ministry in charge of the respective field. What probably, so to speak, brought us these agreements, their conclusion, and their finalization, and the latest discussions on these agreements, was the fact that we have paid greater attention to things that maybe we just passed over easily before, such as the effects of the overall coverage of companies' debts at the end of the last year. We were told very clearly that such a [changes thought] of course we knew that, but being busy with the current problems and with all kind of things [changes thought], thus there were such things and in general, I would like to ask you, those who follow and are interested in these things, to take the government program that was presented in November on the occasion of the investiture of the government, and the report presented on 17 February, and you will see that all of them clearly include these goals.

I would also like to return to the two major issues: inflation and the hard currency deficit.

As a matter of fact, inflation represents a way of solving imbalances that can be found in the economy. This way of solving imbalances is an inequitable way as far as the population is concerned; it is a way that endangers the economic recovery and the possibilities to redress the economy. We must very clearly understand that inflation in fact represents a chaotic way—a way that is very far from any pretense of a regular economic life—to solve imbalances between supply and demand.

Regarding the hard currency deficit: As you know, the leu is not a convertible currency in the general sense of the word used in developed countries. We currently have a hard currency deficit. So, if there is a deficit then—since there is no foreign financing—there is only one way to solve this deficit: to reduce imports to the level of the possibilities that exports offer us, and by attempting to increase our export as much as possible. However, this is the phenomenon that is happening in real life. This is precisely what has happened in the past two months since we had to face this impossible situation to keep the mechanism for the exchange rate of the leu operating.

The consequence of a hard currency deficit, which is not financed from abroad, is inflation. A hard currency deficit that is not financed from abroad does nothing else but increase inflation at home because this adjustment requires—if you want to continue the reform and the transition to the market economy—a liberalization so that prices and other instruments will establish new balances in the economy, without foreign financing. I believe that no one is thinking of going backward; one can stop for a moment, as we did for two months to solve problems and to primarily work out a concept and a vision about closed and open [in capitol inchis, in capitol deschis] foreign financing and so forth; we have taken the necessary measures. Irrespective of when and how, Romania has to reestablish balances. As long as it does not do so, corruption will increase, profiteering will flourish, and troubles continue. The road to economic growth passes through the reestablishment of balances. There is no other way. No one has invented any other way. On the contrary, experience gained by all countries after World War I and World War II clearly proved that there is no means to achieve economic growth, without the reestablishment of balances.

Certainly, some countries have certain advantages in reestablishing their balances; they received foreign aid, they have an Army deployed in their country and this Army sometimes spells billions of dollars. We are not in such a position. Therefore, the road to economic growth in our country means reestablishing balances, and this is achieved under our own steam. Without reestablishing these balances, we will continue the same mixture of inflation, which does not turn into hyperinflation, that is a prolongation, so to say, not of the transition because the transition is a long process; therefore a prolongation of the stage that should constitute the end—as it were—of the economic restoration period. [sentence as heard] These questions have to be understood very well, because there is no other solution to them.

What can we do? Can we reestablish balances the way we are now—by 25 percent? No. I have to tell you that the weak point of this program at this time is the fact that we cannot re-establish balances all of a sudden, if I may say so. Why not? Because of history, the history of this country, the history of the sufferings this country has gone through, and because of the history of how the reform has progressed so far. We have begun the stage of cutting subsidies. Let me tell you what the reestablishment of balances means: A week or so ago someone was saying that we are reducing prices. What do I note today? Producers are already defending themselves. These prices are not enough for us; we need higher ones. Certainly, if you ask the producer, a price is never high enough. We can discuss things. We can discuss why the respective prices do not cover expenses. The price of the producer is by no means the same as market prices, except under conditions of monopoly and abnormal market conditions, something that is not a farfetched thought in Romania. Then how do we create the necessary pressure to bring about a change, because it is no secret that at this point that the pressure of inflation in Romania is generated by only a few areas. Some of them we try to master, others are more difficult, like the opportunity of this change of prices, which will take some time.

Therefore, I want to repeat, the political color of the government is of no importance; any government in this country has to be a serious government. It has to be a government that has to continue the efforts to reestablish balances. There is nothing we can do. If a kilogram of meat is produced in Romania, the government has to make the decision how this kilogram of meat is going to be distributed: based on the laws of the market economy or on the law of ration cards.

We have to gradually depart from the laws of ration cards and the fact that we are unable to do so here and now—I want to repeat—has its explanation in history.

Finally, the third specification—and with this I want to conclude—refers to the fact that the press has carried the following statement: The interest rate is high to be able to reduce credits. This is a manner of speaking. To reduce credits means to reduce the demand. However, this is only one aspect of the problem. The problem is that the interest has to reveal the capital. Capital is a rare commodity. One cannot find it just anywhere: For 40 years we were used to the fact that the leu is no problem and that extensive financing was done in lei; this is another problem; it is a problem that has to be changed in our mentality. Capital is a rare commodity, as is crude oil. Capital has to be paid for.

Therefore, if someone wants to save money and another person wants to invest or to use this rare resource—money—then he has to pay the price and this price cannot be a price which—when the one who has this resource, that is the capital, receives it back—has dwindled to half the initial value. Therefore it is a rare resource and the banks—among other tasks, because this is not their only task, namely to transfer this rare resource from those who possess it to those who have to use it, or want to use it—therefore banks have to do what they have to do. I want to remind those who are outraged—so to speak—about the exaggerated interest rates that in the first three months inflation in our country was almost 45 percent, if my calculation is right. What we propose from now on is to establish the interest rate at [words indistinct]. The idea is to curb inflation and finally it will fall. However, bearing in mind the first three months [changes thought] in fact, this is it. This is it.

You see, yesterday I had a talk with Mr. Mustetea who—I do not want to go into details—said: Sir, I have to protect my funds against price changes. Thus the interest rate has to regain its normal functions in an economy. Some enterprises are screaming and (?justifiably) so, and we have admitted that in our country there are a lot of credits, because we do not have our own capital. This is, indeed, an outcry, but, at the same time,

we should not forget that our enterprises were able to put assets on the market. What are our enterprises doing? They publish 4,200 assets and sell 117 because the directors began to vacillate: Wait a minute, maybe it is not good to sell. Well, they had this opportunity to sell assets. Investment does not only mean to pound concrete and iron into the soil, investment also means to add to your own capital.

When you sell assets you do not buy automobiles with the money, as this happens in numerous enterprises in our country, but you use that money to increase your own capital and to cut back on credits. Please do not be offended, [words indistinct] everyone has this opportunity. No one stopped them, no one compelled them to sell assets and publish this intention of theirs, and now that they really have to sell them everybody is hesitating, because the sale of assets is an action that helps them to gain capital, if they want to. If, however, by selling assets they understand to pay as high wages as possible and to buy automobiles, television sets, and to organize protocol events that make you believe in being Alice in Wonderland and so forth, then, of course, we will continue to complain that the share of credits is high.

Why did industrial units put only 200 assets on the market for sale? Certainly, we, too, have to take measures, to examine, and try to activate this phenomenon, and, if need be, try to force things—because I have already repeated: No one has compelled them to sell their assets and publish them; however, the moment they published their intention, they could not just withdraw, otherwise it means that there is a flaw in the law that permits them to withdraw. Certainly, this is a democracy, but there are certain unwritten regulations; you have made a public pledge to sell an asset item.

Therefore, in the coming period we have to pursue this process of asset sales much more carefully. I propose to do this, and I hope that there will not be the usual tension, either, because of some conflict or because of other things. We have to tell enterprises very clearly: Get down to work, sell assets, increase your own capital, do not spend everything, cut credits; but then, of course, excess resources are not created in the economy by selling assets; but what is happening? Instead of having funds at savings banks or banks and using them to finance enterprises by means of credits, these funds should be used either for participating in the capital or for selling assets, and credits will decrease accordingly. The enterprises have not only the possibility to sell assets, they also have the possibility to increase their capital, and if need be, some have done so and have proved that they are very well able to do so under the current laws.

We are prepared now, because the bill on stock exchanges and bonds will still take some time; therefore, we are prepared to issue a government decision that will establish a minimum of regulations until we have that law. I want to repeat, however, those who wanted to do this, did so. In fact, those who did so did not go home with an empty purse, on the contrary. There are also other means whereby our enterprises are able to increase their own capital and their resources to decrease the share of credits. This battle has to be started.

Interior Minister Discusses Political Issues

AU0505114592

[Editorial Report] Bucharest TINERETUL LIBER in Romanian on 24 April on pages 1 and 2 carries the first part of a 2,500-word interview with Minister of Interior Victor Babiuc by Aurel Perva entitled "I Think That Obscure Forces Opposing Democracy Still Exist in Romania," while TINERETUL LIBER on 25-26 April on pages 1 and 2 carries the 2,000-word second and last part of the same interview entitled "In a Democracy, People Holding Public Office Must Understand That Their Lives Also Become Public."

In the first part of the interview, being asked by Aurel Perva what he thinks about speculation regarding being replaced in his office following "initiatives" by the liberals in this respect, Victor Babiuc says that "there are no real reasons for dissatisfaction either with the Ministry of Interior or with the minister of interior" and that the election campaign was characterized by "positive cooperation between the Ministry of Interior and the main parties represented in parliament."

Asked about foreign response to the way recent local elections had taken place, Babiuc says that "the statements made by the U.S. State Department confirm that local elections were correct, honest, and there were no elements of suspicion about the way they took place."

After answering a few questions regarding the visit ex-King Mihai I wants to pay to Romania over Orthodox Easter and the possibility of his regaining Romanian citizenship, Babiuc elaborates on a question about the "state of the nation" in 1992. In this respect he says that "this is a very delicate question, and I believe that, as things stand, any answer will be incomplete." He continues by saying "we are going through an economic, political, social, and institutional transition from every point of view. On the whole, this transition is affected by the country's economic situation. The moment the economic situation shows signs of restoration, other areas of our life will probably also begin to change. The other areas are hampered because the economy is in bad or relatively bad shape. We note that money is needed for each initiative, for each change we want to make. There is a shortage of money because of the precarious economic situation. There is a chain reaction, a vicious circle that hampers us in everything we want to do. At the same time, however, we are compelled to continue this transition process and change with the material means we have at hand. I also have to point out that these changes in all areas are backed on the one hand and hampered on the other because of our mentality." He also adds that "the moment the economic situation improves and better results are achieved, then—I repeat—our mentality will more rapidly move away

from old mentalities, and the changes that are needed will take place more quickly and in a better way. In any case, it is a positive thing that Romania's orientation toward democracy and the market economy can no longer be questioned by anyone of good faith, and I believe that Romania's return to the situation prior to the revolution can be ruled out."

Asked whether he thinks that there are "obscure forces who would like to stop post-revolutionary processes," Babiuc says: "I believe that obscure forces exist, and if we consider what has happened since the revolution, in each difficult moment experienced by Romania we will find forces that acted against the general trend in an attempt to either stop, hamper, or even revert things. These forces do exist. I am referring mainly to domestic forces, either leftist or rightist ones." Regarding the Senate's rejection of the participation of national observers in the elections, Babiuc emphasizes that this "was an unhappy decision" because "their presence did not alter the unfolding of the elections by any means." They were actually "a guarantee for calming down the spirits at home and for proving to foreign countries that we are trying to apply the rules of democracy."

Answering a question on the "relations between the Ministry of Interior and the Romanian Intelligence Service [SRI]" and on whether there are "differences of opinion" between him and SRI chief, Virgil Magureanu, Minister Babiuc emphasizes that "we maintain normal relations of cooperation up to a point since we are talking of two institutions working in the same or rather in complementary areas to ensure peace and public order and our country's national security. Thus we maintain relations of cooperation with SRI. We provide each other with information to preserve public order and ensure our national security." He then adds: "I do not know whether there are any differences in our opinions because our cooperation" is "taking place within the legal framework," and "other kinds of discussions do not take place between the two leaderships."

Regarding Magureanu's denial that the SRI is listening to people's telephone conversations, Babiuc says that "if Mr. Magureanu has said so, he probably knew what he was saying, in the sense that he knew that there are places where they are listened to. What I can tell you for sure is that the Ministry of Interior is not listening to them." "The Ministry of Interior has no installations to intercept other people's telephone conversations."

To a question about the "existence of a mysterious 'R network' that intercepts telephone conversations," Minister Babiuc answers: "If I am not mistaken, it is within the structure of the Ministry of National Defense, but I cannot say precisely who controls it. It is difficult for me to say whether they are listening in or not." Regarding the "recent scandal" surrounding intelligence service director Magureanu, Babiuc says that "in a democracy, "the moment one becomes a public figure" one's "life also becomes public," which means that one "has to account for one's actions and conduct."

Asked whether his "intention" to "demilitarize the police and Ministry of Interior" is "taking concrete shape," Babiuc says that, "as already stressed, the police has to turn into a paramilitary body as this is the case in other countries, and I also said that in the short time that is left before the elections I will not be able to fulfill this task. However, I am sure that there is no other solution for the police and the Ministry of Interior, because gendarmes, firemen, and border guards will remain military as they have been up to now. There were differing reactions to this demilitarization idea. While some people with the mentality of former times received it with reservations, another part of the police welcomed it as a normal question in a civilized country. What is important is to find the right time to apply this idea so as not to affect the structure or operation of the police, nor the status of the policeman. This is no secret: The military status entails both moral and material advantages. These people, who lead a very difficult and harsh life should not lose those advantages. In fact, they are not even paid in accordance with the work they perform." Regarding the question of whether "such a revolutionary process" would "weaken the influence of a police faced with a tremendous increase in crimes as it is," Babiuc explains that this is the reason why this "demilitarization will not be done now."

To a question about "the need for a strong, professional, and effective police," Babiuc answers that "psychologically, the police is marked by its transition from a militia subjected to very strong pressure by the Communist Party and Securitate," a feeling that still exists, but that "has diminished considerably." He adds that "to have a strong police we will have to increase its numbers on the one hand and provide it with appropriate equipment on the other hand." He stresses that "the mentality of the policeman has to change" in accordance with "the requirements of a democratic state, which are different from those of a totalitarian state. However, all these changes can already be noted, to a greater or lesser extent, if we look attentively at our policemen today, who have gone through a noteworthy evolution since the revolution, which, in my view, is a positive development."

Asked to what extent he has eliminated former police personnel, Babiuc says that "some 35 percent of the personnel are new people. What is important is the fact that these changes have been made particularly at the top, within the leadership of the police, and it is clear that especially the leadership is playing an important role in the conduct of the police. Due to these changes, the average age of the Romanian police is 32 years for noncommissioned officers and 35 years if we include officers. Surely, there may be people in the police who should not be there. But let us not forget that we are not only going through an objective renewal process but also through a long one. The moment we detect people who do not belong here, we will remove them. Whenever this is needed, we do not hesitate to take the necessary measures."

Regarding his "political ambitions," Babiuc explains that he has none and that, contrary to rumors in the press, he is not tempted to run for presidency. In conclusion he adds that his "short-term political projects" are to submit to parliament "a law on the police, a law on the gendarmes, and a law whereby the local administration will pass under the jurisdiction of the Ministry of Interior."

Izetbegovic Briefs Press on Talks With UN Envoy

AU0505220692 Sarajevo Radio Sarajevo Network in Serbo-Croatian 2000 GMT 5 May 92

[News conference with Alija Izetbegovic, president of the Presidency of Bosnia-Hercegovina, by unidentified correspondents after his talks with UN envoy Marrack Goulding in Sarajevo on 5 May—recorded]

[Excerpt] [Passage omitted] [Correspondent] Did you discuss the decision by the Federal Republic of Yugoslavia on the withdrawal of the Army from Bosnia-Hercegovina within 15 days, and what does all this mean?

[Izetbegovic] Yes we did. We simply said that, in our view, this was an incomprehensible decision. This is not a decision on withdrawing the Army. This decision amounts to withdrawing a number of men, citizens who are not citizens of Bosnia-Hercegovina. This is not a decision to withdraw the Army, as it may appear to someone who superficially follows things.

We noted the ambiguity of the decision and insisted that if this happens, we will raise the question of the status of arms here. We proposed that the arms that the Army has in Bosnia-Hercegovina be put under international control or be destroyed, so that they are not used for killing people and destroying towns. This is what we proposed.

[Correspondent] Has Goulding been informed about the fact that members of the Yugoslav People's Army are now changing their uniforms for those of the Serbian territorials and that they are staying in Bosnia-Hercegovina, except that they now have different clothes and perform different tasks?

[Izetbegovic] I do not know whether he has been informed about this, but he was informed that something like that could happen, that this could be expected. We pointed this out. I did not tell him that this is already taking place now. I do not have clear information about this, although it is very likely that this is happening. We pointed out this possibility, we think that this will happen. We think that this will happen anyway, but, as I said, the problem is the status of weapons, heavy artillery, and tanks. We think that they should not fall into the hands.... [changes thought] We do not insist that they should be ours, we do not intend to wage a war against anyone. However, we would not want them all to be in the hands of any side in the conflict, any side involved in the conflict. We think that the best thing would be to put these arms under international control, to remain in the barracks, under the control of some international forces. They could also be the observers, but there should be more of them. Or these arms should simply be destroyed.

[Correspondent] Did you discuss Lisbon's conclusions on lifting the blockades around the airport, and the withdrawal of heavy arms around Sarajevo?

[Izetbegovic] Yes, we did, as one of the obligations that have not been fulfilled, that have unfortunately not been fulfilled, that should have been fulfilled. We discussed a possible political solution. I used this opportunity, of course, to state, to explain my stand because I was reproached that I was not consistent regarding the maps.

I said that it was true that I did not like these maps, that I would not accept such a solution if there was no big trouble. I would, however, accept them before a threat of war. If I were to make a choice between a war and accepting these maps, I would opt for these maps as a lesser evil. I also said that I would fully respect this, provided that international control was secured for this. The drawing of some internal borders in Bosnia-Hercegovina, designating regions, cantons, or whatever, would probably be less of an evil if this was done in the presence of some international forces that would guarantee respect for the relations that would be created, that would be created on the basis of such maps.

Of course, the maps are an evil, but as you can see, what is happening now is proving to be a greater evil. This is causing irreparable damage in Bosnia-Hercegovina. Perhaps not irreparable, because some future generations could erase these maps and borders.

[Correspondent] Do you have any information about his activities today?

[Izetbegovic] I do not. He received our instructions, but the meeting in Helsinki is still under way. I have just spoken to Turkish Government President Demirel over the telephone at his request. He told me that in his view, according to his information, things are going well for Bosnia-Hercegovina in Helsinki. He also told me that today he met a number of ambassadors of the more important countries, that he explained to them the situation in Bosnia-Hercegovina, and that he will continue to follow the situation here. He told us to be patient, that everything will be all right.

[Correspondent] Did Mr. Goulding comment on yesterday's call by the government for foreign intervention in Bosnia-Hercegovina.

[Izetbegovic] No, he did not. Thank you.

Izetbegovic Not To Attend Brussels Talks

LD0505161692 Belgrade TANJUG in English 1558 GMT 5 May 92

[Text] Brussels, May 5 (TANJUG)—Alija Izetbegovic, president of the incomplete (Moslem-Croat) Presidency of the former Yugoslav Republic of Bosnia-Hercegovina, will not go to Brussels on Wednesday [6 May] to attend a session of the Yugoslavia conference, TANJUG learned this afternoon at the Brussels conference secretariat. Nothing was said about the reasons for Izetbegovic's failure to attend. Secretariat representatives underscored that the session would be held as planned, according to the program prepared by conference Chairman Lord Carrington.

Army Denies Responsibility for Belgian's Death

LD0505203392 Belgrade TANJUG in English 2006 GMT 5 May 92

[Text] Belgrade, May 5 (TANJUG)—Major Bertrand Borrey, member of the European Community monitoring team from Belgium, was killed on May 2 outside the Cula transformation station near Mostar, the former Yugoslav Republic of Bosnia-Hercegovina. He was hit by a fragmentation bullet, the kind of weapon not used by the Yugoslav Army. This was today announced by the Yugoslav Defence Ministry after accusations were voiced in Belgium and the former Yugoslav Republic of Croatia that Major Borrey was killed by the Yugoslav Army. The Defence Ministry says in a statement that it learned facts about Major Borrey's death later because the Yugoslav Army was not represented on a commission which was at once set up and sent to investigate the killing on the spot.

The statement points out that the incident took place around 1,500 metres from the nearest Yugoslav Army unit, outside the entrance to the transformation station on its western side, in an area of minefields and in the vicinity of Croatian forces, which makes the precision in shooting greater from that direction.

The statement points out that during talks on carrying out works on the transformation station, a representative of the Yugoslav Army warned the E.C. monitors of the danger, with regard to the fact that the facility and its access roads were under control of the Croatian army. The Yugoslav Army will do all that is in its power to shed more light on the incident, but it cannot take upon itself the responsibility for it on the basis of investigation unwitnessed by its experts. The Defence Ministry therefore proposes that a tri-partite commission be set up to include also experts in forensic medicine of a neutral side, says the statememt.

Presidency, JNA Reach Cease-Fire Agreement

LD0505210292 Belgrade TANJUG in English 1939 GMT 5 May 92

[Text] Sarajevo, May 5 (TANJUG)—Bosnia-Hercegovina authorities and the Yugoslav People's Army (JNA) signed a cease-fire agreement, to have come into force tonight at 1800 GMT in the whole republic. The agreement was signed in the UNPROFOR [UN Protection Forces] headquarters by representatives of the rump Bosnia-Hercegovina Presidency Fikret Abdic and Stjepan Kljujic, JNA Lieut.-Col. Milan Aksentijevic, European committee representative and Lord Carrington's envoy Colm Doyle. Serbian representatives walked out the Bosnia-Hercegovina Presidency because the Muslim and Croatian representatives did not adopt decision by a consensus, as the republican constitution envisages. Journalists were told that Yugoslav Acting Defence Minister Col.-Gen. Blagoje Adzic gave Aksentijevic permission to sign the cease-fire agreement.

It was also agreed that the two sides be permitted to take over their dead, wounded and captured. They also agreed that Army barracks be ensured electricity, water and food deliveries.

Under the two sides' agreement, the blockade is to be lifted off Sarajevo airport Wednesday [6 May] at noon local time. The talks are to continue tomorrow, as was indicated.

New Pact 'Had No Effect'

AU0505213292 Sarajevo Radio Sarajevo Network in Serbo-Croatian 2000 GMT 5 May 92

[Rade Trbojevic report from Sarajevo Public Security Center—live]

[Excerpts] [Trbojevic] We are again reporting from the Public Security Center. We listened attentively to the dispatch from the house of peace, that is to say, the UN Protection Force building, and then to the interview with Mr. Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency. We hoped that peace would finally prevail, that people would begin to live in peace. However, according to what is happening now—and we can feel this best in the Center commune, to be precise, around the Saraljka department store, that is to say, in the very center of the town—the same things that have been happening during the last 30 days are happening again. We hear strong explosions, shots from infantry weapons, bursts of gunfire—the same picture as during the previous 30 days. God help us that this agreement may be realized! [passage omitted]

[Avdo Panjata, commander of the Public Security Center] Good evening to you and the listeners! I can say the following:

As far as we are concerned, that is to say, the people who live in the town and listen to explosions, the agreement that was signed has had no effect whatsoever this evening. Grenades of larger calibers, judging by the explosions, are falling on the town center and on the old part of the town. [passage omitted]

Grenades are also falling on Sirokaca, some other outlying areas, and what is particularly worrying—namely it means that somebody lacks the will to undertake the realization of the cease-fire agreement—we have observed movements by certain units in the region of Novo Sarajevo and in other regions north of Sarajevo. I do not know precisely whether these are the Serbian territorials' units or the Yugoslav Peoples' Army units. I think, however, that they are units of both. [passage omitted]

Sarajevo Radio Says Cease-Fire Honored

LD0605050592 Sarajevo Radio Sarajevo Network in Serbo-Croatian 0416 GMT 6 May 92

[Excerpt] [Passage omitted] According to reports that have reached our studio at Sarajevo Radio and Television so far, one may say that what was agreed upon yesterday has by and large been honored since last night.

At the moment we have no information about what has been going on in other areas of the Republic of Bosnia-Hercegovina throughout the night. However, we are hoping that within the next few hours our correspondents and stringers will somehow manage to get in touch with Sarajevo Radio and tell us about the first hours in each area of the Republic of Bosnia-Hercegovina since the signing of the third cease-fire agreement, well statement, on ceasing combat activities on the territory of the Republic of Bosnia-Hercegovina.

Army To Transfer Control of Airport to Serbs

AU0605124192 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1200 GMT 6 May 92

[Text] Let us repeat the news that we carried during our open program, which says: The Ministry of Internal Affairs has reliable information that the so-called Serbian terrorists are carrying out preparations to take control of the airport in Sarajevo. In this connection, the necessary consultations were held with the Yugoslav People's Army, which only seemingly offers resistance, but will in fact hand over control of the airport to the Serbian terrorists. This is one more in a line of successful agreements between Karadzic [president of the Serbian Democratic Party of Bosnia-Hercegovina] and Kukanjac [commander of the Second Military District] on control of the only body with international links in Bosnia-Hercegovina. Therefore, the statement by the Ministry of Internal Affairs of Bosnia-Hercegovina says, factors of the EC and the UNPROFOR [UN Protection Forces] are being called upon to prevent such an agreement.

Army Artillery Attacks Continue in Mostar

AU0605112892 Sarajevo Radio Sarajevo Network in Serbo-Croatian 0800 GMT 6 May 92

[Omer Vatric report from Mostar]

[Text] Some fifteen minutes before 0800 GMT an air raid warning was again sounded in Mostar, which in this (?war) means that there is general danger. Before that, shooting could be heard and the artillery of the former Yugoslav People's Army fiercely pounded virtually all parts of Mostar throughout the night. Shells were fired at Cim and residents say that the houses in this district have never before been so fiercely and systematically destroyed. The shells came from the surrounding hills, from positions which are being held by members of the former Yugoslav People's Army.

Shooting began at around 1700 and was most fiercely resumed after the radio and television reported that a cease-fire had been agreed on in Sarajevo, which should have come into force in the whole territory of Bosnia-Hercegovina at 1800. It should have come into force but it did not. During the night shells fell around (?hit), in (?Mate Duvanic) Street, and around the pensioners club and then around [word indistinct] and again around the Neretva and Bristol hotels and other places. They began to fall on [word indistinct] from last night, which has never happened before.

As I was told by the duty officer in the Security Services Center of Mostar, according to information received so far, only two people have been wounded, which means that the Mostar people have already [words indistinct] and are increasingly respecting the envisaged self-protection measures in cases of artillery attacks on the town.

As I report, shells can be heard, which is something new because usually there is shooting in the afternoon and at night, or the shooting begins at around noon at the earliest. However, it started before 0800. This is perhaps because it was announced that Marrack Goulding and Satish Nambiar could arrive in Mostar. It is hoped that they will nevertheless arrive and some serious peace talks can begin in Mostar and Hercegovina, as well as the early withdrawal of the former Yugoslav People's Army in line with the decisions of the Bosnia-Hercegovina Presidency and the decisions of the state leadership of the Federal Republic of Yugoslavia.

[In a similar report, Belgrade TANJUG Domestic Service in Serbo-Croatian at 0932 GMT on 6 May reports the following: "According to the Mostar garrison information office, at about 0730 GMT forces of the Croatian Defense Council for Mostar [HVO] carried out an artillery and infantry attack on the Konak army barracks. The barracks are located on the left bank of the Neretva River in the area under control of the Yugoslav People's Army and Serbian territorials. Soon after the attack began a general alert was sounded. Powerful explosions could be heard in the locality of the barracks. The barracks also came under attack last night."]

'Infantry Clashes' Continue

AU0605142692 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 6 May 92

[Text] Our correspondent Bosko Santic reports that the fiercest artillery and infantry clashes so far have been waged in Mostar since this morning. The clashes have spread to all parts of the town. This is in fact the continuation of yesterday's attacks by the Croatian Defense Council of Mostar on the Konak Barracks on the left bank of the Neretva, in the part of the town that is controlled by the Yugoslav People's Army and the Serbian territorials.

Last night fire broke out in this barracks. The Serbian settlement of Bjelusina was also attacked. At about 0730 GMT this morning, the left bank of the Neretva again came under attack. After that, fierce battles spread to the entire town. Grenades hit the Culture Hall and the tallest building in Mostar, named Mostarka. The grenade that exploded in the very center of the town, near the Hip department store, injured several persons. There is still no information on casualties. The fiercest street battles are being waged in the old part of he town, near Tepa.

Serbian Police To Control Sections of Sarajevo

LD0605015892 Belgrade TANJUG in English 2308 GMT 5 May 92

[Text] Sarajevo, May 5 (TANJUG)—The Serb command of the city of Sarajevo announced on Tuesday [5 May] night that Serbian police would take over the responsibility for events in its-controlled sections of the city provided these parts would not be entered by Moslem-Croat policemen, announced the SRNA news agency of the Serb Republic of Bosnia-Hercegovina. The announcement, issued after tonight's truce, sought that an immediate end should be put to terror against Serbs in Sarajevo's Moslem section. The Serb command of the city also sought free circulation for Serbs from the Moslem section to the city sections under Serbian control. Free work and circulation was sought also for humanitarian organizations and ambulances, and every abuse had to be averted and rigorously punished, the SRNA annnouncement said.

'Irregulars' From Serbia, Croatia Detailed

AU0605130492 Split SLOBODNA DALMACIJA in Serbo-Croatian 27 Apr 92 p 7

[HINA report: "Biljana Invited Arkan"]

[Text] Sarajevo, 26 Apr (HINA)—The information office of the Party of Democratic Action in Sarajevo issued a statement today on the activities of Chetnik units in the capital of Bosnia-Hercegovina. The statement claims that, following the terrorist attacks by Serbian paramilitary formations on Sarajevo, the Bosnia-Hercegovina Ministry of Internal Affairs established that members of the Serbian-Chetnik movement, the so-called Seseljists [Seseljevci], had taken part in these attacks. Units belonging to that movement are coming from Serbia, and from Croatia's battlefields. One such unit came to the Sarajevo district Pale at the beginning of April, and its members have been arriving in the district Vrace ever since. It has been confirmed that this units consists of 162 men. None of them is a Bosnian, and none of them is even of Bosnian descent. The commander of this unit is Branislav Gavrilovic, nicknamed Brne, who is known on Croatia's battlefields as the leader of Seselj's Chetniks in Slavonija, Baranja, and western Srijem.

The members of Gavrilovic's unit made their first move from Pale to Vrace on 14 and 15 April 1992, during the artillery attack on the garages of the city transportation company "GRAS." Their intention was to attack the city and make a massacre, the reason for which was the capture of two criminals, and the terrorist Dragisa Kuljacic from Sarajevo. After serious threats, these people were released, so the Seseljists gave up the planned attack.

The aforementioned unit of Seseljists took part in the attack on the area near Novo Sarajevo. Before the attack, all the attacking units had gathered in the Vrace memorial park. Gavrilovic's units were among them. In the meantime, Gavrilovic attended negotiations, where he said, among other things that: "We have been preparing for this war for 11 months. Our fighters will do their duty." During the attack on Sarajevo Gavrilovic was wounded, and one group of his men were surrounded by the defenders of Sarajevo. This caused Vojislav Seselj to demand from Radovan Karadzic the release of his men from the siege on Grbavica, otherwise he would withdraw all his forces from all the fronts in Bosnia-Hercegovina. Momcilo Mandic reacted to this demand, and asked for the Serbian Democratic Party forces to be sent in to rescue the Seseljists. It has been confirmed that, following this rescue, Seselj's unit withdrew to Pale, where it is now. Biljana Plavsic, former member of the Bosnia-Hercegovina Presidency, invited Arkan [Zeljko Raznjatovic, leader of a group of Serbian Irregulars] and his units to Sarajevo. Arkan's headquarters have received the invitation, and are currently discussing it, concluded the statement issued by the information office of the Party of Democratic Action in Sarajevo.

Four JNA Officers Killed by Muslim Forces

LD0505211592 Belgrade TANJUG in English 1936 GMT 5 May 92

[Text] Belgrade, May 5 (TANJUG)—Four Yugoslav Army (JNA) officers were killed and three wounded by Moslem paramilitary forces in Sunday's attack on a JNA convoy in Bosnia's capital Sarajevo, JNA sources confirmed on Tuesday [5 May]. The convoy was attacked while evacuating the JNA personnel from the Army Second District Headquarters, under an arrangement with the Moslem and Croat authorities in Bosnia-Hercegovina, and with guarantees from the European Community and the United Nations Protection Forces (UNPROFOR) in Yugoslavia. The JNA has made public the names of the killed and wounded officers. Two of the killed were colonels. The JNA has reliable information that not all the JNA soldiers captured in the attack have been released, the sources said. A total of 171 JNA soldiers were released on Monday [4 May].

The JNA convoy was attacked immediately after its head was secretly abandoned by the president of the republican rump presidency, Moslem leader Alija Izetbegovic. Under a previous agreement, Izetbegovic was to leave the head of the convoy only after it had reached its destination—so as to ensure the security of the soldiers. "The JNA will leave the territory of Bosnia-Hercegovina as soon as possible and move to the territory of the Federal Republic of Yugoslavia, TANJUG learns from JNA sources.

The sources estimate that the JNA will pull out from Bosnia-Hercegovina by May 19, as provided by an order the Yugoslav presidency issued Monday evening. About 80 per cent of the JNA troops in Bosnia-Hercegovina are from this republic and cannot be forced to leave their own soil either by the authorities of the new state, the Federal Republic of Yugoslavia, or by military authorities, the Army sources said.

Curfew, Mobilization Introduced in Prijedor

LD0505141192 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 5 May 92

[Text] After the occupation of Prijedor by the Yugoslav Army, Serbian territorials have introduced a curfew between 1900 and 0300 GMT. They have also imposed a compulsory work order and mobilization of all men between the ages of 18 and 60, who are immediately taken to the front, we have learned from the inhabitants of Prijedor.

All Muslims and Croats have been fired, and their new management in companies and public services do not allow them to enter working premises. Since the occupation Prijedor has lost the reception of Sarajevo radio-television.

Draftable Men Banned From Leaving Krajina

LD0505171392 Belgrade TANJUG Domestic Service in Serbo-Croatian 1627 GMT 5 May 92

[Text] Banja Luka, 5 May (TANJUG)—The war headquarters of the Autonomous Region of Krajina in Banja Luka today said that all 18 to 60-year-old-men are banned from leaving the territory of this autonomous region without a special permit. The war headquarters calls on all refugees capable of fighting to return to their homes immediately in order to defend the Autonomous Region of Krajina, the statement says.

The distribution of oil derivatives is prohibited without a special official permit issued by the municipal secretariat for economy. This prohibition does not apply to vehicles of the police, territorial defense, medical services, and professional fire departments, concludes the statement signed by Radoslav Brdjanin, president of the war headquarters.

Government Demands UN, EC Action Against JNA

LD0505015192 Zagreb Radio Croatia Network in Serbo-Croatian 0000 GMT 5 May 92

[Text] At its 4 May session, the government of the Republic of Croatia discussed the security situation in the republic in the wake of the intensified aggression by the former Yugoslav People's Army [JNA], Serbia, and Montenegro against the Republic of Croatia and the consequences of the aggression against Bosnia-Hercegovina.

Bearing in mind the right to life and to defend human life and one's duty to help a victim whose life is threatened, the Croatian Government voices the indignation felt by the helpless and embittered women and children and the innocent victims of the aggression against Croatia and Bosnia-Hercegovina. Proceeding on their behalf from the principles of the UN Charter, which bans the use of force and stipulates countries' duties to defy an aggressor and help its victims and from other provisions of the UN Charter and all other adopted international charters on human rights, the government of the Republic of Croatia demands:

That an emergency session of the UN Security Council be convened and a decision adopted whereby the aggressor would be named: the Republic of Serbia, the Republic of Montenegro, and the Yugoslav People's Army and that effective measures be taken on the basis of Chapter 7 of the UN Charter,

And that the obligations taken on by UNPROFOR [UN Protection Forces] following the UN Security Council's decisions should become a reality in order to halt the aggression against the Republic of Croatia and implement the peace plan. In addition to this, Serbia and Montenegro and their criminal army should face an ultimatum on the part of the EC, as well as the CSCE, whereby they would be told that adequate and efficient measures will be taken against them unless they immediately stop killing women and children and destroying towns, while the criminal Yugoslav People's Army of ex-Yugoslavia should be placed under international control.

Also demanded is the passing of the decision to send peace forces to Bosnia-Hercegovina and to prevent the so-called Federal Republic of Yugoslavia, a Greater Serbia in disguise, from usurping in any way the rights of the former SFRY in international institutions and relations and to convene immediately an international conference on refugees and displaced persons as well as to provide effective aid in order to find solutions for them and enable them to return home;

And the formation of an international war crimes court, as well as raising charges against all those who are commiting violence and killing women, children, and innocent citizens in this bloody war, it is stated, among other things, in the Croatian Government's letter to international institutions, the governments of the world's democracies, the world's democratic public, and citizens of the Republic of Croatia.

Supreme State Council Backs UN Membership Bid

LD0505122892 Belgrade TANJUG Domestic Service in Serbo-Croatian 1106 GMT 5 May 92

[Text] Zagreb, 5 May (TANJUG)—Croatia will request acceptance to the United Nations at summary procedures. Such committment was endorsed by the Supreme State Coucil, considering, as a statement announced, "favorable development of the international position of the Republic of Croatia."

In connection with the international position and the diplomatic status of former Yugoslavia, it is acceptable for the Republic of Croatia to adopt "the stand of the so-called empty chair left behind Yugoslavia in various institutions, from the CSCE to the UN," the statement says.

The Supreme Croatian State Council discussed the report on the plans of Brussels conference for the division of former Yugoslavia. The last plenary session of all working groups of the peace conference, held on 30 April, was assessed as "a big step forward in the final division of the state of former Yugoslavia."

Karlovac Under Artillery Fire; Three Wounded

LD0605053992 Zagreb Radio Croatia Network in Serbo-Croatian 0500 GMT 5 May 92

[Davor Matijasic report from Karlovac]

[Excerpt] Karlovac's citizens have spent the night in shelters. Over 300 artillery shells have been fired on the town. There are a number of wounded, while the extent of damage is enormous.

The all-clear was sounded at 0400 GMT. A general danger alert had been in effect since 2043. The entire city was pounded with tank, cannon, and 120-millimeter mortar shells. The shells were fired from the enemy's position at the training center of Cerovac, the Strekovac forest, and the Kamensko and Mekusje barracks, where there were attempts to launch an infantry attack.

Three Croatian soldiers were wounded, while there is no information on civilian casualties. Some parts of the city are without electricity or water, while the damage to residential and other facilities is enormous. [passage omitted]

One Telecommunications Line Open With Bosnia

LD0205180792 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 2 May 92

[Text] Today the only telecommunications line between Croatia and Bosnia-Hercegovina is the link with Banja

Luka, the main Croatian Post and Telecommunications center in Zagreb reports. All other telecommunications links between Croatia and Bosnia-Hercegovina were cut off today at 0830 GMT, and the center stresses that the interruption occurred on the Bosnian side.

Over 220,000 Bosnian Refugees Arrive 2 May

LD0305173192 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 2 May 92

[Text] A total of 222,665 persons have up to today evacuated from Bosnia-Hercegovina to the Republic of Croatia, the government's office for the evicted and refugees has announced. Most refugees—51,000—have been accommodated in the Makarska area, and 40,000 in Zagreb.

Krajina Voices Concern Over UN Deployment

AU0505200892 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 5 May 92

[Interview with Stojan Spanovic, defense minister of the Republic of Krajina, by Dusko Petrovic; place and date not given—recorded]

[Text] [Petrovic] The government of the Republic of Serbian Krajina after today's session, which was held in Beli Manastir, addressed a protest letter to UN Secretary General Butrus Ghali concerning the delay of the deployment of blue helmets in the protected zones. This letter was the reason for our interview with Mr. Stojan Spanovic, defense minister of the Republic of Serbian Krajina.

[Spanovic] The public knows that the UN forces were supposed to take over responsibility for the protection of the Republic of Serbian Krajina as early as 26 April. However, the date was then postponed until 15 May. We have indications that this date will be further postponed. Therefore, it was decided to send another protest to the UN secretary general because of the postponement in taking over the zones of responsibility. However, it is now much clearer to us as to why all this has actually happened. It is evident that the events in Bosnia were the basic reason for the delay and not technical reasons, as was originally stated, that is to say, that it was not possible to deploy the UN troops. It is obvious that with these postponements, they are trying to impose a political solution before the zones are taken over. I wish to emphasize that a political solution can only be discussed once the zones of responsibility have been taken over. This led to a slow down of all planned activities for the deployment of the Yugoslav People's Army, namely, all these activities were suspended. The Yugoslav People's Army remains on its territories, where it now is. The units of the Territorial Defense also remain in their positions. Everything will remain in its place until the UN troops are deployed and take over the zones of responsibility.

The way we see [UN envoy] Cyrus Vance's plan, things are more or less clear and we presented and documented this. The borders of the communes are not where they were drawn on maps but where the people drew them at the referendum. It is well known that numerous local communities that are now in our zone, which had been liberated, have joined certain communes that are within the protected zones. Therefore, I am sure this is not a misunderstanding of Vance's plan but rather a pressure exercised on the government to accept political solutions before the zone of responsibility is taken over.

[Petrovic] The Federal Republic of Yugoslavia has been established. Some say that with this act Krajina has been left to its own devices, that Serbia has allegedly turned its back on it.

[Spanovic] We believe that nobody has turned his back on us but that we must rely on ourselves. Therefore, all the conditions have been created for the citizens of the Republic of Serbian Krajina to decide on their future political status. It was decided today to inform the Serbian Government that there are no longer any reasons for the existence of refugees from the liberated territories of the Republic of Serbian Krajina in Serbia. They can and should return because these territories are safe.

Article Examines Krajina Remaining in Republic

AU0505102392 Zagreb VECERNJI LIST in Serbo-Croatian 25 Apr 92 p 13

[Stijepo Mijovic Kocan article: "Will Krajina Realize?"]

[Text] Migration from rural to urban communities, and from undeveloped to developed ones, is a common occurrence everywhere, and because of it the Serbian population in Croatia has been reduced by a third in parts where it is in the majority—according to the movement of the population after World War II. If we put aside war casualties (the previous war!), the number of Serbs was reduced not only by migration to surrounding Croatian urban communities, but mostly by the colonization (about 50,000) of Vojvodina, and particularly by migration to Belgrade, which, as the administrative center after the war, was turned from a backward town of about 300,000 inhabitants into a city of two million.

Let us have a look at Krajina! At a recent scientific gathering in Zagreb, which was organized by Matica Hrvatska and the Croatian Academy of Sciences and Arts, and which discussed Slavonija, Baranja, and Srijem, Vladimir Zerjavic, our distinguished demographer, dealt with the question of the so-called Serbian Krajina, as part of his scientific research "into the demographic losses on the present territory of the Republic of Croatia." What is the "raison d'etre" of Krajina, which gathers in its 11 municipalities only 144,000 people, or 25 percent of the overall Serbian population in Croatia, asked Zerjavic, and then continued: "As a matter of fact, there are no natural or other circumstances that could stop the current movement and migration from that

region. If one wishes to perceive, from a sensible point of view, the best perspective, particularly for the Knin area, then one sees that it lies only in staying as part of Croatia, since that region is of vital importance for transport, which can be a boost for economic development, particularly in tourism. On the other hand, by separating these parts from Croatia, and joining them to Bosanska Krajina, or even to Serbia, that Knin area, and other areas of the so-called Krajina, become peripheral, and that can only serve to increase migration, not stop it!"

In other words, the Greater Serbian ideologists, by preaching the thesis "All Serbs in one country", and because of all their mythical and megalomaniacal aspirations, have put the Serbs in Croatia in a very unenviable position. Zerjavic used scientific facts to support his assertion that "the military and political solutions so far have not offered any economic perspectives, and can, therefore, be neither long-term, nor effective." And what when all this is over, as eventually over it must be?

One possibility is for this region to become a periphery of some kind of a Bosnian Krajina, or even a periphery of the far away Serbia. In any case, only certain individuals will profit, but what about the majority? The other possibility is that it plays a significant role in the transport and economy of Croatia. In that case, the noisemaking politicians of Raskovic's type will probably lose, but the people, the majority of the population, will profit. Both science and logic defy Krajina: It is only a temporary madness for which the Serbian people in Croatia will suffer for a long time to come, because their present position is far more disagreeable than it was before the start of the killing, looting, and evicting of the minority Croatian population from the Krajina municipalities. Crimes are punished, and no law in the world can bring back betrayed confidence!

Zerjavic's conclusion was sensible: "The majority population of Krajina should have a decisive influence in solving the present abnormal situation, which does not offer either the Serbs or the Croats conditions for a normal life." He stressed the fact that Croatia had been helping that region from the so-called fund for the undeveloped, and had thus been slowing down migration, but it had been setting aside far more for the undeveloped parts of Bosnia, Macedonia, Montenegro, and particularly Kosovo. All that money that used to be poured into those parts, mainly into the pockets of the local socialist bureaucrats, could now be redirected to help the development of our own underdeveloped areas. It could be like that, but we will all have to wait until there is any money to speak of at all.

Further migration, therefore the slow death of the Knin Krajina and others, can be stopped only by "Croatia's economic development, particularly that of transport and tourism," Zerjavic concluded. He assumed that the Serbian people would realize, once the situation simmered down and the UN troops were positioned, "which way to go in order to secure permanent prosperity in those parts."

But, unfortunately, good assumptions do not depend only on "the majority people of Krajina," but primarily on how and to what extent they have been crazed, frightened, and isolated from civilization by the media, and all that for the benefit of insane individuals. Or perhaps Draskovic's thesis on "the mad people" who work against themselves is true after all?

Drnovsek Presents List of Candidates for Cabinet

AU0505140892 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 4 May 92

[Sonja Znidarsic report]

[Text] Prime Minister Janez Drnovsek presented a list of candidates for his cabinet at a news conference today. It is known that three positions remain open. There is a change in the Ministry for Veterans and Disabled Persons. Instead of Milos Prosenc, Anka Osterman was proposed for this position.

Dr. Janez Drnovsek said that he still hopes that Mitja Gaspari would take the office of the minister of finance, but in the meantime he would be in charge of it himself. His government would concentrate on solving economic problems. The new prime minister outlined the following tasks for his team:

[Begin Drnovsek recording] The rehabilitation of the financial system will be a priority in any case. In this regard, the present activities have been too slow in my opinion. I will try to speed up the procedure and shortly present the Assembly with a proposal for the rehabilitation of the financial system—that is, the banking system. Within this framework it will also be proposed to rehabilitate the so-called bad banking assets that affect the companies, resulting in the need to rehabilitate them. This is an issue of rehabilitation procedures.

I am presently reviewing all the existing documents and prepared proposals, and am working on the guidelines to be presented to the government in the shortest possible time. Of course, we are waiting for the ministers—that is, the cabinet—to join me in this work. At this stage, the government does not yet have an apparatus at its disposal.

Another important area will be without a doubt the current economic policy and in this connection the halting of inflation. There still exists a serious danger of inflation rising. The present results are not satisfactory and are also rather deceptive so that I plan, with a better coordinated policy between the state, that is, the Ministry of Finance and the Bank of Slovenia, to work further toward the stabilization of the tolar and prevention of inflation.

The draft privatization law which was prepared as a compromise (?by) the Assembly president, should, in my opinion, be processed further. Hopefully it upholds what the parties have stated so far—namely, that they are prepared to support such a concept of the law because a speedy adoption of the privatization law would certainly facilitate activities in other areas and enable a faster movement and a faster [word indistinct] of production. [end recording]

Dr. Janez Drnovsek underscored that he is aware of the serious economic situation. The measures adopted by the government should halt the negative trends, and above all, steady inflation and ensure the stability of the tolar.

At the news conference he also emphasized that he does not want to make short-term impressions but plans to deal with everything, including current economic issues, systematically, thoroughly, and in depth. In short, he wants to work in order to create conditions for a better economy and a higher standard of living for the Slovenes.

He wants to include a few new names in his professional staff, both from the business world and from among those working in the field of economic theory. His staff will also be enhanced by an adviser for foreign trade issues. We have learned that his nominee is Dr. Andrej Kumar.

The prime minister will be especially engaged in making contacts with international financial institutions and the EC and in coordinating work with the Ministry of Foreign Affairs to solve issues regarding the division of the assets and liabilities of the former Yugoslavia. Drnovsek added that he plans to talk to the leaders of the parties in the coming days in order to ask for constructive support for the key systemic laws. He especially emphasized that the elections should be held as soon as possible, according to him, in the fall.

International

Libyan Envoy Denies Financing Arms Purchases

LD0505150892 Belgrade TANJUG Domestic Service in Serbo-Croatian 1426 GMT 5 May 92

[Text] Belgrade, 5 May (TANJUG)—Ashur Qarqum, ambassador of the Libyan Jamahariyah in Belgrade, today visited the Federal Secretariat for Foreign Affairs to deliver a note expressing surprise at an item of information disseminated in the Belgrade media about Libya's alleged involvement in financing the purchase of and supplying weapons to the Muslim forces in Bosnia-Hercegovina.

The Secretariat says the ambassador vigorously denied this report and drew attention to Libya's principled and friendly position in the Yugoslav crisis so far, as well as to Libya's interest in continuing to develop traditionally friendly relations and mutually beneficial cooperation with Yugoslavia.

In reference to Libya's financial help for the government of Bosnia-Hercegovina in the sum of $50 million, Ambassador Qarqum stressed that the help was given publicly and was meant for revitalizing the iron enterprise of Zenica. If the money was used for other purposes, Libya cannot be held responsible, the ambassador said.

Cuba Recognizes New Republic, Maintains Relations

LD0505194592 Belgrade TANJUG in English 1610 GMT 5 May 92

["Pool" item]

[Text] Belgrade, May 5 (TANJUG)—Cuba has recognized the Federal Republic of Yugoslavia and expressed a wish to maintain diplomatic and consular relations and develop economic, cultural, scientific and technical cooperation, the Yugoslav Foreign Ministry said on Tuesday [5 May]. Cuban First Deputy Foreign Minister A. Fraga yesterday in Havana presented a note to Yugoslav Ambassador Milutin Stojanovic in which the Cuban Government recognizes Yugoslavia.

The Belgrade-based Cuban Embassy remains accredited with the new Yugoslavia, thus clearly stating its attitude towards the continuation of former Yugoslavia. The Federal Republic of Yugoslavia was formed on April 27. It is made up of Serbia and Montenegro, the only two independent states to join the first Yugoslavia formed after World War One.

Federal

Republics Consider SFRY Succession Proposal

LD0505190192 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 5 May 92

[Text] On the eve of tomorrow's conference, on what is by now the former Yugoslavia, we have just received this long-awaited report:

The SFRY no longer exists. All the republics of the former federation are its fully-fledged legal successor. If some of the republics have decided to act together in the process of succession, they do not automatically gain the right to continue as successors to the former federation on the international scene. This is the gist of a succession proposal sent by the officials of the Brussels peace conference to Croatia, concerning the issue of succession. The government of the Republic of Croatia is expected to send its reply to the proposal as outlined by Lord Carrington, the conference chairman, and Francisco Duale, coordinator in charge of the succession and division of assets issues.

According to the proposal, the main principles to be adhered to in the course of the division of assets, rights, and obligations will be fairness and equal status of all the parties concerned. In view of this, the assets and obligations used by and binding on one or more particular republics will be allocated to that republic or republics with fair compensation for others, as set by the Vienna conventions. The basic rule to be observed in dividing the assets is the share of each member of the former federation in the common state's balance sheets during the 10-year period up to 31 December 1991. This date signifies the day when the old state ceased to exist. Croatia will insist that its share after the division of assets also includes full war reparations from Serbia and Montenegro.

Debts owed by the former federation can be easily assessed and settled. Federal debts should be fully investigated and divided between all the parties involved in the process of succession. This is the task to be executed by the economic commission set up by the peace conference. The main items to be settled are foreign currency, gold, and precious metals reserves. The list also includes deposits with international organizations, property belonging to the Yugoslav Army, the federation's complete assets, and consular and diplomatic property, etc.

Prime Minister Bozovic Defends Serbian Nationalism

TA0505144992 Ankara Show Television in Turkish 1835 GMT 4 May 92

[Interview with Serbian Prime Minister Radoman Bozovic by Mithat Bereket on the "32d Day" program in Belgrade; date not given—recorded, in English and Serbian with superimposed translation into Turkish]

[Text] [Bereket] Serbian nationalism seems to be spreading to all of Yugoslavia and is becoming increasingly dangerous. Do you not think you might lose control over it one day?

[Bozovic] That is utterly wrong. Because the West thinks that way, it fails to understand the situation in Yugoslavia. Do not forget that four to five years ago we said: Come and let us discuss ways of turning Yugoslavia into a modern and democratic federation. Our goodwill was exploited, however, first by the Slovenians and then by the Croatians. They both instigated their own respective

brands of nationalism and attacked their own people. It was of course the people who had to pay for that.

[Bereket] Whatever the case, it is a fact that especially Serbian and Croatian nationalism oppose each other today in Yugoslavia. Do you acknowledge the fact that Serbian nationalism involves a very dangerous element?

[Bozovic] Yes, what you say is true. The situation is one of clashing nationalistic feelings. Extreme nationalism leads to more extreme feelings. We saw this in Yugoslavia. This extremism created tremendous hatred in the people. Then there was a chain reaction of one nationalism leading to and feeding another nationalism. Bloody incidents became inevitable. However, we never instigated Serbian nationalism. All we did was protect ourselves and the rights of our people. Had it been otherwise, we would have demanded the rights of the Serbians in Bosnia-Hercegovina. However, what you say is true: The mutually reinforcing and clashing nationalist feelings ended up in the streets of Bosnia-Hercegovina, too. We are proposing a dialogue to stop that. The three communities there must start negotiating as soon as possible.

[Bereket] So shall we say that Yugoslavia is dead; long live Serbia, or even Serbia-Slovenia?

[Bozovic] No, we are talking about a new Yugoslavia—a democratic and modern Yugoslavia where all the peoples in it enjoy equal citizenship status. Yes, maybe the Serbians are in the majority. Serbia is the largest republic. The new Constitution states everything clearly, however; nobody will oppress anyone else. Furthermore, this new Yugoslavia will become an open federal republic for the states that want to join it. We will guarantee the rights of the non-Serbian peoples who live in Serbia.

Presidency Asks Bosnian Leaders To Absorb JNA

LD0505114392 Belgrade TANJUG in English 1042 GMT 5 May 92

[Text] Belgrade, May 5 (TANJUG)—The Yugoslav State Presidency today called on the leaders of the three national communities in the former Yugoslav Republic of Bosnia-Hercegovina—Moslems, Serbs and Croats—to "agree and decide on taking over part of the Yugoslav People's Army (JNA), made up of Bosnia-Hercegovina citizens." In this way, "unwanted situations and consequences would be avoided," the Presidency set out in a statement.

It said the Yugoslav Presidency had decided on Monday [4 May] to withdraw within 15 days all citizens of the Federal Republic of Yugoslavia (SRJ) serving in the JNA in Bosnia-Hercegovina. Bosnia-Hercegovina was recognized by the European Community on April 7, following the recognition of the secessionist Yugoslav Republics Slovenia and Croatia on January 15. The statement said that "under the Constitution of the SRJ, there are no longer grounds for the Yugoslav Presidency or any other Yugoslav body to decide on military questions in the territory of Bosnia-Hercegovina."

The SRJ was proclaimed on April 27 and is composed of two republics—Serbia and Montenegro. Fierce ethnic armed clashes are raging throughout multi-national Bosnia-Hercegovina, and the attacks by Moslem-Croat paramilitary formations are aimed at the JNA and the Serbian people.

Withdrawal To Be Organized

LD0505163692 Belgrade TANJUG Domestic Service in Serbo-Croatian 1513 GMT 5 May 92

[Text] Belgrade, 5 May (TANJUG)—The Yugoslav People's Army [JNA] will return from Bosnia-Hercegovina to the territory of the Federal Republic of Yugoslavia [FRY] in a planned and organized way. Care will be taken to ensure that the withdrawal is done safely and promptly, TANJUG learned from military sources in Belgrade today.

According to the same sources, as a result of events in Bosnia-Hercegovina, primarily caused by organized actions of the Croat-Muslim forces, it is unrealistic to expect the 15-day deadline for the completion of the withdrawal to be moved forward.

It has been learned that plans exist for transferring Army units, that they have been put into operation, and that the plans will be completed within the set deadline, i.e. by 19 May, as outlined by the Presidency of Yugoslavia last night. About 80 percent of the Army personnel deployed on the territory of Bosnia-Hercegovina come from that republic. Neither organs of the new state, nor the FRY, nor military authorities can force these people to leave that republic. According to reliable reports available to the JNA, since the Sunday [3 May] massacre when a military convoy was brutally caught in cross-fire near Skenderija in Sarajevo, not all Army members captured in that incident have been released. The same sources say that the Green Berets have killed Colonel Budimir Radulovic, commander of the Second Military District medical corps; Colonel Bosko Mihajlovic; Lieutenant Colonel Bosko Jovanovic; and Captain First Class Marko Labudovic. Military authorities have confirmed that Colonels Enes Taso, Ratko Katalina and Petar Salapura, all from the Second Military District Command, were wounded in the incident.

Kostic Comments on Withdrawal

LD0505221392 Belgrade TANJUG Domestic Service in Serbo-Croatian 1915 GMT 5 May 92

[Text] Belgrade, 5 May (TANJUG)—We are not leaving the Serb people in Bosnia-Hercegovina to the mercy of the Croat-Muslim paramilitary formations, with the withdrawal of nationals of the Federal Republic of Yugoslavia [FRY] who are currently in Yugoslav people's Army [JNA] units stationed in that republic. Vice President of the FRY Presidency Branko Kostic said in an interview for Radio Yugoslavia. We are not pulling

out nor could we pull out army members who are citizens of Bosnia-Hercegovina, born in that republic, and living there, Kostic said.

Noting that only a few thousand Yugoslav nationals will be withdrawn from Bosnia-Hercegovina to FRY territory, Branko Kostic hinted at a simultaneous return of several thousand citizens of Bosnia-Hercegovina, who are doing their national service or are JNA employees on the territory of the present Yugoslavia, back to their state.

About 15 percent of all JNA members currently in Bosnia-Hercegovina are FRY nationals, while almost the same number of Bosnian citizens are doing military service in the FRY, Kostic said.

The Presidency decision should not be linked to pressures from the West, because previous developments have shown that, irrespective of what decisions we make and irrespective of our wise and prudent conduct, the West is realizing its own scenario, Kostic stressed. He added that the Presidency decision should be above all linked to events in Sarajevo over the past weekend. These events obviously showed that Mr. Alija Izetbegovic favors neither a peaceful option nor the Lisbon talks on a political solution of the crisis. He advocates a war, hoping that in that way he will encourage the EC to intervene and thus help him to implement his concept of a unitary Bosnia-Hercegovina in which the Serbs, who make up 33 percent of the population, would be given the status of a national minority.

Having pointed out that it is difficult to predict what will happen, Dr. Kostic described the resumption of peace negotiations in Lisbon with Mr. Cutilheiro in the chair as the best possible solution. After ethnic borders have been delineated, it will be possible to reach an agreement about allocation of competences to individual national communities in Bosnia-Hercegovina and the competences of a common federal state.

It will then be possible for one part of the Army to be a common force and for each national community to have its own national guard and police. In other words, the status of the existing Croat-Muslim armed formations and the JNA which, after the withdrawal of Yugoslav citizens from it, will consist of members of the Serb nation in Bosnia-Hercegovina, would depend primarily on an agreement regulating the state-legal status of Bosnia-Hercegovina.

Kostic warned that if such an agreement is not reached it would be realistic to expect that members of the Serb nation in Bosnia-Hercegovina now serving in the JNA would refuse to serve Alija Izetbegovic and would swear loyalty to the Serb leadership in the republic. This, of course, would be very dangerous as we would then have two armed armies in confrontation.

Asked what will happen to the military hardware in Bosnia-Hercegovina, Kostic stressed that a large quantity has already been pulled out and deployed at locations on the territory of the FRY. It is quite certain that, as is the case of Macedonia, part of the hardware will stay in Bosnia-Hercegovina, Kostic said.

Izetbegovic's call for foreign intervention in Bosnia-Hercegovina was described by Dr. Kostic as an excessively irresponsible move by an irresponsible and ambition-obsessed man.

Macedonia

German Consulate To Open 'Soon' in Skopje

92BA0794B Skopje NOVA MAKEDONIJA in Macedonian 9 Apr 92 p 3

[Article by Lj. P.: "Imminent Opening of a Consulate"—first paragraph is NOVA MAKEDONIJA introduction]

[Text] According to Stefan, Germany will open a consulate in Skopje, motivated by the Bonn government's substantial interests in Macedonia.

"A German consulate general will open in Skopje as soon as possible. Until now, I was ambassador in Chad, and I intend to go back there briefly to wind up my work, after which I will go to Bonn for instructions and will return to Skopje as soon as possible." This statement was communicated to NOVA MAKEDONIJA by Consul General Hans Lothar Stefan, following the German Government's announcement of its intention to open a consulate general in Skopje. Stefan yesterday held discussions with the high Macedonian leadership.

Stefan stated that the opening of a German diplomatic mission in Macedonia is engendered, above all, by the wish of his country to cooperate with our republic. He said that the question of the recognition of Macedonia is in the hands of the European Community and that a key feature in that situation is the role of Portugal, which is mediating between Greece and Macedonia. "The opening of the consulate is in answer to the numerous problems facing our government in dealing with substantial German interests here: tourism, investments, and cultural affairs, which have not been sufficiently developed and which have made opening a German consulate in Skopje necessary," said Hans Lothar Stefan in his statement to NOVA MAKEDONIJA.

Postponed International Recognition Deplored

92BA0795A Skopje NOVA MAKEDONIJA in Macedonian 12 Apr 92 p 2

[Commentary by G. A.: "Why Was Recognition Postponed?"]

[Text] We are quite sure that not only the Macedonian public but also those who should have supported the international recognition of Macedonia are unable to answer that question sensibly. The reason is that those very people, without anyone urging them, on the basis of legal standards and principles they support and the democratic rightfulness that has been accepted by the

highest European authorities, claimed several months ago that, of all former Yugoslav republics that could meet the conditions and that should be recognized, other than Slovenia, Macedonia was it.

Unfortunately, in the course of the long and dishonest diplomatic bargaining on the European scene, other strange and not very clear criteria have been prevailing throughout. At one point, they included the sympathies and regional interests of some European powers. Another reason has been the tangle of compromises, and still another the capriciousness and stubbornness of a member of the European Community. In most cases, this has been the result of the political dilettantism displayed by some European countries in an effort to drag out the solution of Balkan issues and problems. It has been confirmed once again that, in the eyes of Europe, this area is a kind of experimental ground in which Europe is continuously testing its diplomatic skills. How else can we explain why noted statesmen and politicians of the EC say and prove something one day and then, several days later, proclaim and support something entirely different? The impression remains that we are dealing here with experienced jugglers in the field of semantics and with masters of ingratiation. To them, the fate of the small nations and their aspirations and yearnings to be treated as equals on the international scene are nothing but an aspect of political merchandising. It is as though they are relying on their powerlessness or waiting for war to break out and their blood to start being shed; only then will they sit down and consider which state or nation to help.

Such playing with Macedonian statehood has lasted too long, and we find it difficult to listen to the fabricated statements and consolations presented to the Macedonian public. The fact that the Macedonian public is displaying much greater dignity as compared to some who are parading their democratic morality teachings at the meetings in Brussels is being ignored. It is not fitting for Macedonia to beg and go down on its knees for something it believes it deserves and has the right to have. Unlike Athens, with its moaning, Macedonia is firmly convinced that no one can deprive it of the right to international recognition, even if the entire Greek territory is renamed "Macedonia," as was the case with the administrative area of northern Greece, recently rechristened "Macedonia," and, along with it, all the ministries, institutions, and organizations, in the same way the entire recent Greek history abounds in cases of renamed peoples and towns and family traditions.

The democratic conscience of Europe is once again on trial. Its scope for maneuvering has been exhausted, and there is nowhere to which it can retreat in an effort to avoid the truth. Two days ago, even U.S. President Bush, despite the restraint he has displayed so far regarding the resolution of the Yugoslav problem, publicly stated that "a positive approach must be had regarding the demand of the Republic of Macedonia for its recognition. Mr. Bush even complimented the peace-loving position demonstrated by the Macedonian political leadership. That is something that has not been assumed so far by any of Macedonia's Balkan neighbors.

All that remains, therefore, is the Greek reexamination and the disposition by Athens to pipe down and look reality in the eye, despite its traumas and impudent acts. It is true that Greece is liked and supported by the United States. However, there are indications that friendship has its limits and standards, too. There is no alternative for the closest possible neighbors than to live in a state of peace and cooperation. The bridge of friendship should start to be built as quickly and as profitably for both countries as possible. A historical opportunity is being offered to Presidents Mitsotakis and Gligorov to engage in a dialogue to clear up many reciprocal issues. The Macedonian president has already called for such a step. Athens's answer is expected. Shall we soon be witnessing the first Macedonian-Greek rapprochement and understanding?

Draft Law on Privatization Detailed

92BA0795B Skopje NOVA MAKEDONIJA in Macedonian 12 Apr 92 p 2

[Unattributed report: "Green Light to Privatization"—first paragraph is NOVA MAKEDONIJA introduction]

[Text] The government has approved a motion to pass a law on the reorganization of enterprises with public capital. The conversion method will depend on the size of the enterprise. It is contemplated that 15 percent of the stock will be transferred free of charge to the republic's Pension and Disability Insurance Fund.

In its session yesterday, chaired by Chairman Nikola Kljusev, the government of the Republic of Macedonia approved the motion to pass a law on the reorganization of enterprises with public capital. With this law, the government will meet its commitment, in accordance with the Macedonian Constitution, to pass the 15 basic laws and submit them to the assembly within the stipulated time. The concept is based on the decisions to be included in the law and on the Program for the Privatization of Public Capital of the Republic of Macedonia. The proposals, which were discussed by the republic and by experts from the European Bank for Reconstruction and Development, were given a positive assessment.

The reorganization of public property, according to that law, will have as its purpose the creation of an efficient economy that will allocate the available production factors and ensure their most productive utilization. To achieve this objective, the enterprises must be organized and operated in such a way as to ensure the optimum combination of all production investments in the production of goods and services that, in terms of quantity, quality, and price, will be consistent with market demand.

Changing Public Ownership

For this to be accomplished, public ownership must be converted into private, state, or joint ownership, in the course of which a high level of competitiveness must be attained among the economic entities in all areas and economic sectors. The system for managing and directing the enterprises will have to be changed as well.

The law will set the conditions, means, and ways for the conversion of enterprises, with public capital, into corporations or companies with limited liability. The stipulations of the law will not apply to enterprises that, on the basis of a law and legal exemptions, must engage in types of work and activities of special public interest; natural resources and public-use assets may not be privatized.

The Agency for the Reorganization of Enterprises With Public Capital, the establishment of which is stipulated in the law, will play the crucial role in the processes of the reorganization of such enterprises.

Enterprises To Be Classified Into Three Groups

All enterprises that will be reorganized in accordance with the stipulations of the law must assess the value of the public assets. A mechanism has been envisaged to ensure that this value is not depreciated. The process for the reorganization of the enterprises will depend on their size, which, on the basis of certain criteria, will be classified into small, medium, or large.

Also included in the law will be a way to protect the rights of the previous owners and their heirs. This will be based on the stipulations on denationalization. The proceeds from the sale of the enterprises and securities and compensations for the income earned in the course of the running of the enterprises will be used by the agency to pay the debts incurred by the Republic of Macedonia, to compensate the previous owners, and to implement development projects.

Because of the money owed to the older generations and as an initial step in the development of a new system of pensions, it is stipulated that 15 percent of the stock of the enterprises will be transferred at no charge to the Republic of Macedonia Pensions and Disability Insurance Fund.

Yesterday, the government approved the draft laws on the ratification of the agreements signed by the Republic of Macedonia and the Republic of Slovenia in Ljubljana on 25 February and in Skopje on 17 March. The agreements on establishing diplomatic relations between the two states and on eliminating the need for visas became law. Furthermore, the government also passed the draft law on ratifying the payment agreement, economic cooperation, and trade for this year, on the basis of commodity lists drawn up between the Republic of Macedonia and the Republic of Slovenia.

Also approved at yesterday's meeting was the draft law on ratifying the agreement for economic cooperation between the Republic of Macedonia and the Republic of Bosnia-Hercegovina, and the draft law on ratifying this year's trade agreement, on the basis of commodity lists signed last 13 March in Sarajevo between the governments of the two states.

Montenegro

President Bulatovic Criticizes Bosnia's Izetbegovic

LD0505210892 Belgrade TANJUG Domestic Service in Serbo-Croatian 1828 GMT 5 May 92

[Text] Bijelo Polje, 5 May (TANJUG)—The Bijelo Polje security situation is not as dramatic as some portray it, it was assessed today during talks between Montenegrin Presidency President Momir Bulatovic, Montenegrin Assembly President Risto Vukcevic, representatives of municipal authorities, and party leaders. Montenegro will protect all citizens and safeguard its territory, Momir Bulatovic said. I cannot see a political force in Montenegro that would profit from clashes. Bulatovic stressed that the attack on the Yugoslav People's Army [JNA] column in Sarajevo during its retreat from the second military district command caused anger. It is incomprehensible that a man kills a high ranking JNA officer, who was a doctor and was unarmed, in cold blood in a street.

"I include President Izetbegovic and General Kukanjac, who were obliged to be at the end of the column, among those responsible for the safe withdrawal of these people," Momir Bulatovic said in Bijelo Polje.